

Exhibit B

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SOUTHWEST AIRLINES PILOTS
ASSOCIATION,

Plaintiff,

VS.

SOUTHWEST AIRLINES CO.,

Defendant.

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CIVIL ACTION NO. 3:21-cv-2065

### DECLARATION OF MARK R. MYERS

I make the following declaration, in accordance with 28 U.S.C. § 1746, subject to the penalties for perjury:

1. I am an attorney and the Director of Pilot Negotiations and Contract Administration for the Allied Pilots Association (“APA”). APA is the exclusive bargaining representative for the over 14,000 commercial pilots who are employed by and fly for American Airlines, Inc. The APA has its principal office located at Allied Pilots Association, 14600 Trinity Blvd., Suite 500, Fort Worth, Texas 76155-2512.

2. I moved into my current position at APA in June 2017 after joining the union as an attorney in May 2008. As the Director of Pilot Negotiations and Contract Administration, it is my responsibility to work with union leadership to develop bargaining goals, direct and oversee pilot labor negotiations with American Airlines, participate in bargaining sessions between the union (APA) and company management at American Airlines, and support administration and enforcement of the collective bargaining agreement.

3. APA and American Airlines are currently in ongoing Railway Labor Act (“RLA”) Section 6 negotiations. The collective bargaining agreement between APA and the pilots of American Airlines became amendable on January 1, 2020 and early openers were exchanged in January 2019.

4. In early 2020, APA and American Airlines remained engaged in ongoing RLA Section 6 negotiations. In late January 2020, APA recognized the impact and continuing impacts the COVID-19 pandemic had and would have on airline operations. As a result, in addition to ongoing RLA Section 6 negotiations, both APA and American Airlines began discussions to address emergent issues related to the impact of the global pandemic, and more specifically, how the impact of the pandemic and the pandemic itself would affect pilot health and safety, pilot scheduling, international and domestic operations, and whether changes to the collective bargaining agreement would be required in order to make changes to pilot working conditions, work rules, pay, and benefits.

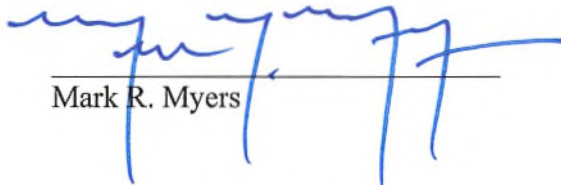
5. In the months to follow, American Airlines and the APA negotiated a total of nine (9) letters of agreements covering COVID-related issues for pilots, including but not limited to scheduling and work rule adjustments, furlough mitigation, paid leaves of absences, COVID pandemic pay for quarantine, isolation, evaluation, and treatment, pay related to COVID vaccinations, and other COVID vaccination incentives. Some of these items, in one form or another, including early retirement programs or vaccination incentive programs, were offered to all American Airline work groups; however, specific negotiated letters of agreement were needed for these programs to apply to the pilots represented by APA. As the Director of Pilot Negotiations, I was involved, on behalf of APA, in each of these letters of agreement and attended and participated in multiple bargaining sessions.

6. Specifically, the parties entered into the following Letters of Agreement (LOA):
- LOA 20-001 (Novel Coronavirus COVID-19), dated March 15, 2020
  - LOA 20-002 (Novel Coronavirus COVID-19 Measures, April 2020 Contractual Month), dated April 2, 2020
  - LOA 20-004 (Section 17 Adjustment Measures and Furlough Provisions), dated August 3, 2020
  - LOA 20-005 (Voluntary Measures to Mitigate Furloughs), dated August 3, 2020
  - LOA 20-006 (August 2020 Voluntary Early Out Program), dated August 3, 2020
  - LOA 20-007 (Voluntary Option to Retire - VOR), dated September 22, 2020
  - LOA 20-008 (December 2020 Recalls and Impact of PSP Extension), dated December 24, 2020
  - LOA 21-001 (Voluntary Option to Retire Revised Second - VORR2), dated February 11, 2021
  - 21-002 (Global COVID Pilot Vaccinations/Testing/Protections), dated March 25, 2021.

True and correct copies of each of these Letters of Agreement are attached hereto as Exhibit A.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed: October 8, 2021, at Fort Worth, Texas

  
\_\_\_\_\_  
Mark R. Myers



Kimball Stone  
Senior Vice President - Flight Operations &  
Integrated Operations Center

American Airlines



March 15, 2020

Captain Eric Ferguson  
President  
Allied Pilots Association  
14600 Trinity Boulevard  
Suite 500  
Fort Worth, TX 76155

Re: LOA 20-001 - Novel Coronavirus (COVID-19)

Dear Captain Ferguson:

As a result of the novel coronavirus (COVID-19), American Airlines ("AA" or "American") has made schedule adjustments given the current demand environment and is currently experiencing temporary pilot overages. We appreciate the Association's understanding of the situation and look forward to working with the Association to do everything possible to mitigate the impact to all AA employees, including pilots. American remains committed to partnering with the Association and to continue discussing precautions and protections needed related to COVID-19. The below constitutes our understanding of the measures agreed upon to date by American and the Allied Pilots Association ("Association") as a result of COVID-19.

#### **Pay Protection**

American Airlines employees are being impacted directly by COVID-19. The Company will provide support to pilots who are diagnosed with COVID-19 in the following ways: any pilot who is non-symptomatic, but who is directed or advised by a medical professional, public health authority, other government official, or governmental or legal order, to quarantine or self-monitor based on concerns, conditions or events related to COVID-19, or who self-quarantines due to the pilot's family member being diagnosed with COVID-19, will be withheld from service with pay ("PW") (i.e., lineholders will have their trips dropped and pay-protected and reserves will have reserve available days removed with no impact to reserve guarantee) for the duration of the evaluation, treatment, and/or quarantine. Per diem and expenses away from base shall continue on a day-to-day basis for any period of evaluation, treatment, isolation, or quarantine if the pilot is away from base for Company-related reasons at the time of quarantine.

Any pilot who displays symptoms of COVID-19 shall call in sick. If the pilot is diagnosed with COVID-19, the pilot shall be pay protected as described above and shall have any sick which was deducted from the pilot's sick bank restored to the pilot's sick bank.

#### **Leaves of Absence**

American will offer special voluntary leaves of absence. Special leaves of absence for pilots under this letter of agreement are in addition to any leaves already contemplated under the Joint Collective Bargaining Agreement ("JCBA"). The below special voluntary leaves of absence have been agreed to by American and the Association and the parties agree this unique leave circumstance is not comparable to any existing leave of absence provision in the JCBA. The

Company will work collaboratively with the Association in connection with these leaves postings, proffers, and awards. The Company will make these leaves available to pilots on a volunteer basis as needed by bid position:

- **Voluntary Extended Leaves of Absence (“VELOA”)**

Pilots who take a Voluntary Extended Leave of Absence (“VELOA”) shall continue to accrue length of service but shall not accrue monthly sick or vacation for any month in which the pilot is on a VELOA (unless the VELOA begins or ends mid-month, in which case the pilot will accrue for the months in which the pilot works 15 or more days).

VELOA are unpaid leaves. Any vacation scheduled within the window of the approved leave shall be converted to float and will be paid out in accordance with JCBA Section 9.F.1.f.

VELOA durations may be up to twelve (12) months. VELOAs will be offered by 4-part bid status. When submitting a request for a VELOA, pilots shall indicate which of the durations offered by the Company the pilot is electing. An approved leave may be cancelled by American with at least a 30-day notice, unless the pilot concurs to a shorter time period. Cancellations should first be offered in seniority order by bid status; involuntary cancellations shall occur in reverse seniority order by bid status. A VELOA shall not be involuntarily extended but may be reoffered.

Pilots on a VELOA will continue to be eligible for all benefits for which the pilot is enrolled in or eligible for at the time the leave commences, and all such benefits will continue to be offered throughout the leave period at active employee rates. Pilots on VELOA shall be treated the same as an active pilot for ongoing enrollment, changes within, and participation in available benefits plans. Pilots on a VELOA will be provided travel benefits under Company policy as though the pilot were in active status, though will not be eligible to book the jumpseat in advance.

- **Voluntary Short-Term Leaves of Absence (“VSTLOA”)**

The Company will offer pilots on active payroll the opportunity to bid Voluntary Short-Term Leaves of Absence (“VSTLOA”). VSTLOAs will be offered as one (1), three (3), and six (6) month options and will be offered in conjunction with the regular monthly bid. VSTLOAs will be offered by 4-part bid status and approval will be at Company discretion. All pilots in a bid status in which VSTLOAs are offered will be eligible to preference, except those in transition training, those already on a leave of absence, and those who have not consolidated on new equipment. Pilots with scheduled vacation will be not eligible to preference for a one month VSTLOA if the vacation is within the requested VSTLOA month. Proffered VSTLOAs which are not voluntarily filled will be cancelled.

Pilots who are awarded a VSTLOA will be paid and credited fifty-five (55) hours in each month of the VSTLOA at the applicable pilot’s hourly pay rate. Payments while on a VSTLOA shall be considered eligible compensation for all purposes, including Company 401K contribution and profit sharing. Pilots on a VSTLOA will have no flying or availability obligations, except for training as outlined below, and that a pilot on reserve the first day of the contractual month following a VSTLOA volunteers to verify the pilot’s schedule at the



completion of DOTC on the last day of the VSTLOA. Pilots will not have the option of picking up flying while on VSTLOA.

Pilots on VSTLOA:

- will continue to be eligible for all benefits for which the pilot is enrolled in or eligible for at the time the leave commences and all such benefits will continue to be offered throughout the leave period at active employee rates. Pilots on VSTLOA shall be treated the same as an active pilot for ongoing enrollment, changes within, and participation in available benefits plans.
- will be provided travel benefits under Company policy as though the pilot were in active status, though will not be eligible to book the jumpseat in advance
- will accrue monthly sick and vacation
- will accrue seniority and length of service
- will not be eligible to use sick pay during the period of the VSTLOA
- will have vacation which was previously awarded for a month within the VSTLOA period, other than a one-month VSTLOA, converted to floating vacation or paid out in accordance with JCBA Section 9.F.1.f.

Pilots on VSTLOA are required to be qualified to fly on the first day following the VSTLOA. Thus, pilots will be obligated to complete required Distance Learning, to attend CQT as awarded or assigned in the CQT bidding process, and pilots who lose currency will be required to schedule a takeoff and landing simulator session prior to the end of the VSTLOA. For these and other required training, pilots shall be paid and credited in accordance with the applicable JCBA section, including 6.B.1.b or 6.E., or other agreement, and such pay will be in addition to the fifty-five (55) hour VSTLOA pay. If a pilot returning from VSTLOA is not qualified on the first day following the VSTLOA, such pilot will be in an unpaid status until the earlier of the day the pilot begins training or becomes qualified, unless the pilot is not qualified or not current due to circumstances beyond the pilot's control, in which case the pilot will be placed in an awaiting training/qualification status.

In addition:

- A pilot with a fly-through sequence that carries time into the beginning of the pilot's VSTLOA will be obligated to complete the fly-through sequence and shall be paid for the fly-through portion in addition to the 55 hours; if staffing permits, such pilot may drop the trip with no pay and no credit.
- A pilot on reserve shall be unavailable for any sequence which flies into any contractual month in which the pilot participates in a VSTLOA, unless the pilot is the only reserve available, in which case the pilot may be given an assignment that operates into the first four (4) days of the VSTLOA bid period for an International Sequence, and one (1) day of the VSTLOA bid period for a Domestic Sequence.

- Pilots will maintain all normal access to, and ability to use, company computer and software systems, including aapilots.com, Jetnet, and bidding and trip-trading programs.
- Pilot vacancy preferences will continue to be processed during a VSTLOA. Pilots should maintain and update vacancy and displacement preferences while on a VSTLOA. Pilots shall return from a VSTLOA to the applicable bid status. Pilots awarded a bid status while on a VSTLOA will receive any applicable pay protection on the published effective date of the new bid award but the duration of any withhold under Section 17 shall not begin until a pilot's return from a VSTLOA.
- Pilots whose seniority is such that they would have been furloughed while on VSTLOA shall be promptly given notice of furlough and if the furlough effective date is prior to the end of the VSTLOA, the pilot's status shall be changed from VSTLOA to furlough on the effective date of furlough.
- An approved leave may be cancelled by American with at least 30 days' notice, unless the pilot concurs for a shorter time. Cancellations should first be offered in seniority order by bid-status; involuntary cancellations shall be done in reverse seniority order by bid-status.
- A VSTLOA shall not be involuntarily extended but may be reoffered.
- Pilots on a 55-hour VSTLOA shall not be included to determine any average PBS values.

• **Voluntary Permanent Leave of Absence**

Company may offer active pilots who are age 62 and older the opportunity to accept a Voluntary Permanent Leave of Absence ("VPLOA"). The Company shall have discretion with respect to the number of VPLOAs which will be offered. Such VPLOAs will be offered by equipment and seat (2-part bid status). VPLOAs will be offered and awarded first to pilots age 64 by seniority within the bid-status and then may be offered and awarded to pilots age 63 by seniority within the bid-status and then may be offered and awarded to pilots age 62 by seniority within the bid-status. Once accepted, a VPLOA may not be revoked or rescinded by the Company or pilot.

Pilots who bid and are awarded VPLOA:

- will receive fifty (50) hours of pay at the pilot's applicable hourly rate from beginning of VPLOA until age 65 (payments while on a VPLOA shall be considered eligible compensation for all purposes, including Company 401K contribution and profit sharing)
- will have no flying or availability obligations, and will not be required to maintain currency; may not pick up flying and will not be eligible for training
- will be paid at the pay rate of the bid position held at the beginning of the VPLOA and will not participate in any vacancy bid



- will continue to be eligible for all benefits for which the pilot is enrolled in or eligible for at the time the leave commences, and all such benefits will continue to be offered throughout the leave period at active employee rates until mandatory retirement age. Pilots on VPLOA shall be treated the same as an active pilot for ongoing enrollment, changes within, and participation in available benefits plans.
- will be provided travel benefits under Company policy as though the pilot were in active status, though will not be eligible to book the jumpseat in advance, until mandatory retirement age
- will not accrue monthly sick or vacation
- will not be eligible to use sick or vacation during the period of the VPLOA
- will be paid earned but unused vacation in accordance with JCBA Sections 9.F.1.d. or 9.F.1.f.
- 40% of the value of a VPLOA pilot's sick bank at retirement will be credited to an HRA account.
- Pilots on a 50-hour VPLOA shall not be included to determine any average PBS values.


With respect to these special leaves of absence, the Company retains discretion to determine the need for these offerings. That is, the Company will determine the number and duration of VELOAs, VSTLOAs, and VPLOAs which will be offered, in accordance with the provisions above, as well as the bid statuses in which the leaves will be offered. There will be no requirement that the Company offer these leaves and, specifically, VELOAs, VSTLOAs, and VPLOA leaves are not required to be offered under Section 17.V.2.

#### April 2020 PBS Bid

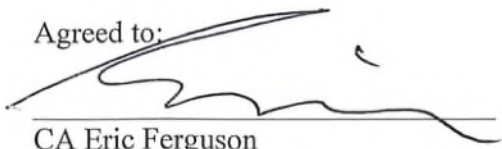
In exchange for the provisions above, APA hereby waives and agrees to forego, any and all claims or grievances it may have regarding or resulting from any delay in PBS bidding for the April 2020 bidding month, including claims that have been raised or could have been raised.

If the foregoing accurately reflects our agreement and understanding, please countersign below and return a fully executed copy to me.

Sincerely yours,

  
 Captain Kimball Stone  
 SVP, Flight Operations and IOC

Agreed to:

  
 CA Eric Ferguson  
 President, Allied Pilots Association

cc: John Karam, Negotiating Committee Chairman  
 APA Legal  
 AA Legal

Kimball Stone  
Senior Vice President - Flight Operations &  
Integrated Operations Center



April 2, 2020

Captain Eric Ferguson  
President  
Allied Pilots Association  
14600 Trinity Boulevard  
Suite 500  
Fort Worth, TX 76155

**Re: Letter of Agreement (LOA) 20-002**  
**Novel Coronavirus (COVID-19) Measures, April 2020 Contractual Month**

Dear Captain Ferguson:

As a result of the novel coronavirus (COVID-19), American Airlines ("AA" or "Company") continues to make schedule adjustments given the current demand environment. We appreciate the Association's understanding and commitment to collaboratively work with American to mitigate the impact to AA and its employees, including pilots. The Company remains committed to partnering with the Association and to continue discussing precautions and protections needed related to COVID-19. The below outlines our understanding of additional measures agreed upon to date by the Company and the Allied Pilots Association ("Association").

1. Pilot Notification

- a. The Company may utilize CCI messages to notify all pilots via a mass electronic notification to announce cancellations and repairs to the April schedule directly related to COVID-19. This provision may only be used for COVID-19-related cancellations for any day with more than 250 cancellations in that day and not for any other conditions which may cause cancellations, e.g. weather events, maintenance. To minimize impact on pilot schedules, the Company shall make every effort to run cancellation packages as far in advance as possible.
- b. The Company shall provide to the Association a copy of the cancellation advisor files generated by Dispatch related to the April schedule reductions. In addition, the Company shall provide advance notification to the Association (through the APA Scheduling Committee Chair) prior to the CCI message being sent.
- c. Notification to a pilot for any subsequent changes to a pilot's schedule not related to COVID-19 and notifications to pilots who have already begun a sequence will continue to be made by the Current Process, as agreed to in the DOTC/RAS Global Settlement Agreement, dated January 18, 2018 ("DOTC/RAS Global Settlement").



2. Sequence Protection and Recovery Obligation

- a. In the event a pilot's sequence is repaired as a result of a cancellation noted above in Pilot Notification ("Repaired Sequence"), the pilot will receive sequence protection and be paid and credited the greater of the value of the original sequence or the Repaired Sequence. In addition, any portion of a Repaired Sequence outside of the footprint of the original sequence will be paid at a premium of 50% over the pilot's base hourly rate. Sequence protection will not apply to any Repaired Sequence that is dropped or traded.
- b. In the event the Repaired Sequence is cancelled, the pilot will receive sequence protection as described above but will not have a recovery obligation and will not be assigned/awarded replacement flying.
- c. Repaired Sequences shall include those sequences which failed continuity as a result of a cancellation noted above in Pilot Notification.
- d. To the maximum extent possible, a Repaired Sequence will originate and end at the same co-terminal as the original sequence.
- e. In the event a fully cancelled sequence is not repaired, the pilot shall receive sequence protection (pay and credit) without a recovery obligation/replacement flying. Any pilot that trades into the replacement flying window of a cancelled sequence will lose sequence protection consistent with the Current Process as agreed to in the DOTC/RAS Global Settlement.
- f. Any sequence with a sequence cancellation as defined in Section 4.C.2.d. of the JCBA not as a result of the cancellations noted above shall be subject to recovery obligation under the Current Process as agreed to in the DOTC/RAS Global Settlement.

3. Open Time Process Adjustments

a. Make-Up and Pick-up

Make-up and pick-up shall continue to be processed in seniority order in accordance with the JCBA and the Current Process for filling of open time, however, in the event a pilot is called and the pilot answers the call, the pilot must decide at that time of the call if they want to accept the sequence from Crew Scheduling that is currently being proffered. In the event a pilot is called and a message is left, Crew Scheduling will not be required to wait any amount of time for a pilot to return the call before proceeding to the next pilot in seniority order. Crew Scheduling shall continue to leave messages at the pilot's phone number. Pilots may continue to return calls and shall be awarded the trip if the trip is still available when the pilot returns the call and speaks to Crew Scheduling. No claims for bypass will be permitted.

b. Trip Trading System (TTS) and Trip Trading in Open Time (TTOT)

(1) It is the intent of the parties that both TTS and TTOT settings shall be set and then adjusted post cancellations and sequence repairs to be more relaxed during the contractual

month of April to ensure maximum flexibility while maintaining operational integrity. Prior to making any necessary adjustments, the Company will meet and discuss with the Joint Scheduling Committee (“JSC”) to obtain feedback and input into the proposed TTS and TTOT settings. This meeting shall occur weekly, although the Chairman of the Scheduling Committee or his designee may contact the Company as needed with questions or concerns regarding the plotter settings and open time limits. The meeting is not intended to occur every day nor is it required prior to automatic system adjustments or routine minor manual adjustments. The Company shall notify the JSC of any routine minor manual adjustments. If the Company is unable to accept APA’s recommendations after making best efforts to do so, the Company will, during the meeting, provide an explanation and specify the reason(s). Meeting participation will be conducted via WebEx or other online conference software mutually acceptable to both parties.

(2) Nothing in this LOA is meant to reduce or alter any existing contractual right the APA has to review and provide feedback in conjunction with the setting of the open time limits.

(3) Known sick pending sequences shall be removed beginning at 1900 and shall be completed no later than 2000 HBT two days prior to sequence origination and shall be placed into open time.

4. Commuter Accommodation

If a commuter’s Repaired Sequence impacts the commutability relative to the original sequence and if the sequence is no longer commutable, the pilot may contact the pilot’s Chief Pilot, or IOC duty pilot, to arrange for a company-paid hotel.

5. Missed Trips

The Company agrees to remove all missed trips or no show annotations related to CCI notifications during the period of March 23rd, 2020 and up until this LOA is executed, and will pay protect the pilot for any removals.

6. General

- a. The above provisions are limited to the April 2020 contractual month and may be extended by mutual agreement on a month-to-month basis.
- b. With the execution of this LOA, the Association agrees all claims it may have related to Company CCI cancellation and sequence repair notifications from March 23, 2020 until this LOA is executed are resolved.
- c. Upon full execution of this LOA, APA will send out a communication to all pilots recognizing the Company’s ability to communicate trip repairs through the use of CCI as described in this LOA for the contractual month of April 2020.




If the foregoing accurately reflects our agreement and understanding, please countersign below and return a fully executed copy to me.

Sincerely yours,



Captain Kimball Stone  
SVP, Flight Operations and IOC

Agreed to:



CA Eric Ferguson  
President, Allied Pilots Association

cc: John Karam, Negotiating Committee Chairman  
APA Legal  
AA Legal

**Letter of Agreement 20-004 (Section 17 Adjustments)**

**Novel Coronavirus (COVID-19) Measures and Furlough Provisions**

American Airlines, Inc. ("Company") and the Allied Pilots Association hereby enter into this Letter of Agreement ("LOA") to create a COVID-19-related exception to the Joint Collective Bargaining Agreement ("JCBA"), Section 17.P. and to permanently amend JCBA Section 17.W. and Letter T, as follows:

1. Section 17.P. Exception

- a. The parties agree, for the duration of LOA 20-001, the Company will not trigger Section 17.P. for any pilot who is removed from service with a PW in accordance with LOA 20-001 and who provides the required Sufficient Medical Documentation upon the pilot's return to work in accordance with Section 10.C.7.c. to demonstrate it was a qualified COVID-19 related absence under LOA 20-001. In the event a pilot is removed from service pursuant to this provision, the Company may fill the vacated training slot without triggering any bypass pay requirements under Section 17.G.4. or 17.J.2.

2. Furloughs and Method of Recall

- a. Section 17.W. is amended to read:

1. All pilots furloughed from the Company shall file proper addresses with the Vice President-Flight of the Company at the time of furlough. Any changes in address must be supplied promptly to the Vice President-Flight of the Company. A pilot shall not be entitled to preference in re-employment if such pilot does not comply with the foregoing requirements.

2. Furloughed pilots who are recalled to the employ of the Company shall be allowed a period of twenty-one (21) days to return to the service of the Company after date of postmark of the certified return-receipt requested letter, or equivalent method that can be tracked, of such pilot's reassignment to duty with the Company, sent to the last address on file with the Vice President-Flight of the Company.

3. Furloughed pilots referred to above who are recalled to the employ of the Company must respond to such recall in accordance with paragraph 2. above, provided, however, such recalled pilot may defer return to the active flight payroll for six (6) months from the date of postmark on the notice of recall. The 6-month period of deferral shall be tolled, month-for-month, for any month within the respective pilot's deferral period in which the Company does not offer recall to a furloughed pilot. In no event may the 6-month deferral period under this provision extend beyond six (6) months following recall of the most junior furloughed pilot. Pilots desiring to return prior to the expiration of the pilot's 6-month deferral period may cancel the deferral period in accordance with the provisions set forth below. Pilots electing to defer their return to

the Company in accordance with the above must notify the Company by certified letter, return-receipt requested, or equivalent method that can be tracked, of their decision within twenty-one (21) days of postmark on their recall notice. Pilots electing to defer their return to active flight duty will continue to accrue occupational seniority, but length of service for pay purposes shall not accrue during such deferral period.

4. In the event of a subsequent furlough prior to recalling all pilots, any pilot who would have been furloughed again had they not deferred recall shall have the opportunity for a new six (6) month deferral period. The Company shall inform all pilots who elect deferral of their respective deferral end date and of any modifications to that date.

5. Deferring pilots may cancel a deferral and become eligible for recall at the next recall date by submitting a written notice to the Company no later than thirty (30) days prior to the pilot's desired return date. When a pilot's deferral period has expired, such pilot will be eligible for recall and such pilot will be recalled when the needs of the Company require such recall. Pilots who cancel their deferral and/or whose deferral period has expired, will be placed in the next available training class in seniority order.

6. Pilots who do not accept recall or who do not return following a period of deferment under this Section shall be subject to Section 13.F.2.

7. Pilots who are recalled and are unable to hold an FAA First Class Medical Certificate as a result of an injury or illness which occurred during the time of furlough may request, and if substantiated, will be granted a Substantiated Deferment until they are able to hold an FAA First Class Medical, but in no event longer than the period of time set forth in Section 11.D.1. Pilots requesting a Substantiated Deferment will be required to substantiate the injury or illness that resulted in the loss of the FAA First Class Medical Certificate during the period of furlough.

8. When a furloughed pilot is recalled and placed on active pilot status with the Company, such pilot shall have no prior right or claim to any vacancy or vacancies that have been filled during the period of such furlough. The duration period of reinstatement rights continues to run during periods of furlough. However, if the pilot had a reinstatement right at the time of furlough, and the reinstatement right has not expired pursuant to Section 17.E.3.b., the pilot may reclaim such reinstatement right. If more than one reinstatement right was held, the pilot may select one such reinstatement right.


b. Paragraph 1 of Letter T is deleted.

3. General: Nothing in this Letter of Agreement prevents either Party from continuing to bargain over current RLA Section 6 proposals or to amend previous proposals, nor does this Letter of Agreement waive any position or proposal already taken, or which may be taken or presented, within RLA Section 6 bargaining.

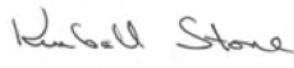


IN WITNESS WHEREOF, the Parties have signed this Letter this 3<sup>rd</sup> day of August 2020.

FOR THE ALLIED PILOTS  
ASSOCIATION

  
\_\_\_\_\_  
Captain Eric Ferguson  
President

FOR THE COMPANY

  
\_\_\_\_\_  
Captain Kimball Stone  
SVP, Flight Operations and IOC

cc: APA Negotiating Committee  
APA Negotiating Department  
AA Labor Relations  
AA Legal



LETTER OF AGREEMENT 20-005

VOLUNTARY MEASURES TO MITIGATE FURLOUGHS

American Airlines, Inc. (“American” or “Company”) and the Allied Pilots Association (“APA” or “Association”) (collectively, the “Parties”) hereby enter into this Letter of Agreement (“LOA”) to create voluntary furlough mitigation measures.

A. GENERAL PROVISIONS

1. The voluntary reduced schedule options created herein shall be implemented during the October 2020 contractual month and shall remain in place through the May 2021 contractual month, under the terms described below, unless otherwise agreed upon by the Parties; provided, however, that the implementation of this agreement will be tolled in the event that the Company is prohibited from engaging in furloughs by Congressional act.
2. “Period of Furlough,” as used herein, is defined as the first day the first pilot is involuntarily furloughed between October 1, 2020 and May 31, 2021 and continues through the date the most junior pilot is offered recall under the Joint Collective Bargaining Agreement (“JCBA”) Section 17.W.

B. VOLUNTARY REDUCED SCHEDULE OPTIONS.

1. ELIGIBILITY REQUIREMENTS

- a. In order to be awarded a voluntary reduced schedule option, a pilot must be active on the date bidding closes for the voluntary reduced schedule options and active on September 30, 2020.
  - b. Pilots on a Voluntary Short Term Leave of Absence (“VSTLOA”) or Voluntary Extended Leave of Absence (“VELOA”) under LOA 20-001 that end prior to the contractual month of December 2020 may be awarded a voluntary reduced schedule option but will be required to complete the VSTLOA or VELOA prior to starting the voluntary reduced schedule option.
  - c. Pilots on a military leave that ends prior to the contractual month of December 2020 may be awarded a voluntary reduced schedule option.
2. VOLUNTARY MULTI-MONTH ZERO LINES. Eligible pilots may bid for a Voluntary Multi-Month Zero Line (“Zero Line”) starting with the contractual month of October 2020. If awarded a Zero Line, pilots will not participate in monthly PBS bidding and will

be assigned a line with zero flying and zero credit through the contractual month of May 2021.

- a. Requests for Zero Lines starting the contractual month of October 2020 shall be made no later than August 14, 2020, and received and processed in a manner specified by the Company but in no case shall the bidding period for the requests be less than seven (7) days.
- b. Zero Lines will be awarded in seniority order within each four-part bid status. The Company will determine the number of Zero Lines awarded in each four-part bid status. Prior to bid opening, the Company will provide the best estimate of potential awards per four-part bid status, but such estimate is not a minimum requirement.
- c. The Company may also offer Zero Lines which would start the contractual month of November 2020, the duration of which shall also continue through the contractual month of May 2021.
- d. A pilot awarded a Zero Line will be considered a Lineholder and an active pilot for the duration of the awarded Zero Line. Vacation and sick shall continue to accrue for each month a pilot is awarded a Zero Line.
- e. Pilots awarded Zero Lines may trip trade and may pick up trips in TTS and TTOT in accordance with the JCBA. Pilots will not participate in the Current Process for Filling of Open Time or DOTC with the exception of Recovery Obligation and premium trips. Pilots can continue to proffer via the premium list in the Current Process for Filling of Open Time. Once balloting for premium is implemented, pilots may only ballot in the DOTC/RAS application for premium trips and for no other kind of flying.
- f. The minimum value for pay purposes in Section 4.A. does not apply to any pilot awarded a Zero Line for any contractual month during the Zero Line award.
- g. Pilots awarded a Zero Line shall remain current and qualified and must complete any required training. Pilots awarded a Zero Line may bid for recurrent training in accordance with the PBS MOU. All required training will be paid in accordance with Section 6 of the JCBA.
- h. Awarded vacation shall remain on a pilot's schedule and shall be paid and credited in accordance with JCBA Section 9.F. Pilots with a Zero Line award may continue to be paid out vacation bank in accordance with JCBA Section 9.F.
- i. A pilot with a transitional reserve day(s) in the contractual month prior to the first Zero Line month will be obligated to fulfill the transitional reserve day(s) and



shall be paid and credited in the contractual month the transitional reserve day(s) is performed. A pilot with a fly-through sequence that carries time into a Zero Line month will be obligated to complete the fly-through sequence and shall be paid and credited for the fly-through portion in the contractual month the flying was performed.

- j. Pilots awarded a Zero Line shall be paid an additional twenty (20) hours of pay during the first contractual month after the multi-month Zero Line award has ended. Pilots who are eligible for this Zero Line incentive pay who are involuntarily furloughed during a Zero Line award period, shall be paid the appropriate incentive pay, without proration, at the time the pilot is furloughed.
- k. Each pilot who is awarded a Zero Line shall reduce the number of furloughed pilots on a one-for-one basis; however, a pilot who would otherwise be involuntarily furloughed may not reduce a furlough for another pilot who is also subject to involuntary furlough. As a result of pilots who would otherwise be involuntarily furloughed being awarded a Zero Line, more senior pilots who did not request a Zero Line may be furloughed even though more junior pilots who requested for and were awarded a Zero Line are not furloughed.
- l. A pilot may bid for a Zero Line conditional on receiving the award in lieu of being involuntarily furloughed. A conditional bid in lieu of being involuntarily furloughed is not a guarantee against involuntary furlough.
  - i. The Company may award a conditional bid in seniority order by two-part bid status in accordance with the pilot's Zero Line request. Within a pilot's request, the pilot will list preferences for base and will be awarded a Zero Line at a specific base in accordance with the pilot's preferences and seniority. The Company may determine how many Zero Lines will be awarded at each base. In no case shall a pilot be assigned a Zero Line at a base which the pilot did not preference.
    - 1. If a pilot submitting a conditional Zero Line request is not awarded a Zero Line after the pilot's preferences are processed, that pilot may be furloughed even if more junior pilots who were awarded a Zero Line are not furloughed. For example, if comparing two pilots who requested Zero Lines and the more senior pilot only lists DFW as a preference and is not senior enough to hold a DFW Zero Line award, that pilot will be furloughed even if the more junior pilot is awarded a Zero Line at another base because the more junior pilot preferenced multiple bases.

2. At the conclusion of a Zero Line award, a pilot awarded a Zero Line at a base other than the pilot's four-part bid status, will return to normal bidding at the pilot's original four-part bid status unless furloughed in accordance with paragraph B.2.n. or awarded a new bid status in accordance with B.2.p. below.
    - ii. The first Zero Line month for a pilot who receives a conditional award shall be the month the pilot would have been furloughed.
    - iii. If awarded a Zero Line in lieu of involuntary furlough, all other conditions of the Zero Line will apply.
  - m. With mutual agreement of the pilot and the Company, a pilot's Zero Line award may be terminated prior to the contractual month of May 2021.
    - i. The effective date of any early termination shall be the last day of the contractual month in which the Zero Line is terminated (early termination cannot occur mid-month).
    - ii. Within a four-part bid status, no pilot will be denied an early termination if a junior pilot's Zero Line award has been terminated by mutual agreement.
  - n. After the pilot's Zero Line has ended, either by expiration per the terms of this Agreement or by early termination as noted above, the pilot will return to normal bidding, unless there is a more senior pilot furloughed who has not been offered recall, in which case, the pilot will be furloughed effective the first contractual month after the Zero line has ended.
  - o. Zero Line awards will not be included in the calculation of the Average Line Value or the Rolling Average Line Value.
  - p. Pilots awarded a Zero Line will continue to participate in vacancy runs in accordance with Section 17. The pilot will be required to attend training and OE, if assigned.
3. VOLUNTARY ALTERNATING-MONTH SCHEDULES. Eligible pilots may bid for a Voluntary Alternating-Month Schedule ("Alternating-Month Schedule") starting with the contractual month of October 2020. If awarded an Alternating-Month Schedule, a pilot will alternate between having a working bid month and having a pre-planned absence (unpaid, uncredited) pre-plotted on the pilot's monthly schedule for a full contractual month (one-on, one-off) and will only be eligible to fly during the working bid month through the contractual month of May 2021.
- a. Requests for Alternating-Month Schedules starting the contractual month of October 2020 shall be made no later than August 14, 2020, in a manner specified



by the Company but in no case shall the bidding period for the requests be less than seven (7) days.

- b. Alternating-Month Schedules will be awarded in seniority order within each four-part bid status. The Company will determine the number of Alternating-Month Schedules awarded in each four-part bid status. Prior to bid opening, the Company will provide the best estimate of potential awards per four-part bid status, but such estimate is not a minimum requirement.
- c. The Company may also offer Alternating-Month Schedules starting the contractual month of November 2020, the duration of which shall also continue through the contractual month of May 2021.
- d. Pilots bidding for an Alternating-Month Schedule shall indicate a preference for whether the first month awarded is a working bid month or the pre-planned absence month, i.e. each pilot shall bid to take either the first month off and work the second month, or vice-a-versa. Preferences will be awarded by seniority within each four-part bid status.
- e. Pilots will maintain the same pre-plotted block throughout the duration of Alternating-Month Schedules (i.e., the one-on, one-off will continue to alternate and neither the pilot nor the Company may change the order by requesting or assigning consecutive months on or off).
- f. Pilots awarded an Alternating-Month Schedule will be considered an active pilot for the duration of the Alternating-Month Schedule award. Vacation and sick shall continue to accrue for each month a pilot is awarded an Alternating-Month Schedule.
- g. Pilots awarded Alternating-Month Schedules will bid within PBS in accordance with their seniority and may be awarded either a line or reserve schedule for the working month.
- h. During a pilot's working month, all provisions of the JCBA apply.
- i. The minimum value for pay purposes in Section 4.A. and the minimum guarantee in Section 4.B. do not apply during the pre-plotted absence month to any pilot awarded an Alternating-Month Schedule.
- j. Pilots awarded Alternating-Month Schedules shall remain current and qualified and must complete any required training. Pilots awarded an Alternating-Month Schedule may bid for recurrent training. All required training will be paid in accordance with Section 6 of the JCBA. Training shall not be scheduled during a

pilot's pre-plotted absence month during the Alternating-Month Schedule, however the Company may contact the pilot during the pre-plotted absence month to notify the pilot of scheduled training during the working month.

- k. Awarded vacation shall remain on a pilot's schedule and shall be paid and credited in accordance with JCBA Section 9.F. Pilots with Alternating-Month Schedules may continue to be paid out vacation bank in accordance with JCBA Section 9.F.
- l. Pilots awarded Alternating-Month Schedules shall be paid an additional ten (10) hours of pay during the first month after the Alternating-Month Schedule award has ended. Pilots who are eligible for this Alternating-Schedule award incentive pay who are involuntarily furloughed during an Alternating-Schedule award period, shall be paid the appropriate incentive pay, without proration, at the time the pilot is furloughed.
- m. Each pilot who is awarded an Alternating-Month Schedule shall reduce the number of furloughed pilots on a two (2) Voluntary Alternating-Month Schedule for one involuntary furlough basis; however, a pilot who would otherwise be involuntarily furloughed may not reduce a furlough for another pilot who is also subject to involuntary furlough. As a result of pilots who would otherwise be involuntarily furloughed being awarded an Alternating-Month Schedule, more senior pilots who did not request Alternating-Month Schedules may be furloughed even though more junior pilots who requested for and were awarded Alternating-Month Schedules are not furloughed.
- n. A pilot may bid for an Alternating-Month Schedule conditional on receiving the award in lieu of being involuntarily furloughed. A conditional bid in lieu of being involuntarily furloughed is not a guarantee against involuntary furlough.
  - i. The Company may award a conditional bid in seniority order by two-part bid status in accordance with the pilot's Alternating-Month Schedule request. Within a pilot's request, the pilot will list preferences for base and will be awarded an Alternating-Month Schedule at a specific base in accordance with the Pilot's preferences and seniority. The Company may determine how many Alternating-Month Schedules will be awarded at each base. In no case shall a pilot be assigned an Alternating-Month Schedule at a base which the pilot did not preference.
    - 1. If a pilot submitting a conditional Alternating-Month Schedule request is not awarded an Alternating-Month Schedule after the pilot's preferences are processed, that pilot may be furloughed even if more junior pilots who were awarded an Alternating-Month



Schedule are not furloughed. For example, if comparing two pilots who requested Alternating-Month Schedules and the more senior pilot only lists DFW as a preference and is not senior enough to hold a DFW Alternating-Month Schedule award, that pilot will be furloughed even if the more junior pilot is awarded a Alternating-Month Schedule at another base because the more junior pilot preferenced multiple bases.

2. At the conclusion of an Alternating-Month Schedule award, a pilot awarded an Alternating-Month Schedule at a base other than the pilot's original 4-part bid status, will return to normal bidding at the pilot's original 4-part bid status unless furloughed in accordance with paragraph B.2.p. or awarded a new bid status in accordance with B.2.r. below.
  - ii. The first Alternating-Month Schedule month for a pilot who receives a conditional award shall be the contractual month the pilot would have been furloughed.
  - iii. If awarded an Alternating-Month Schedule in lieu of involuntary furlough, all other conditions of the Alternating-Month Schedule will apply.
- o. With mutual agreement of the pilot and the Company, a pilot's Voluntary Alternating-Month Schedule award may be terminated prior to the contractual month of May 2021.
  - i. The effective date of any early termination shall be the last day of the contractual month in which the Alternating-Month Schedule is terminated (early termination cannot occur mid-month).
  - ii. Within a four-part bid status, no pilot will be denied an early termination if a junior pilot has had his participation terminated by mutual agreement.
- p. After the pilot's Alternating-Month Schedule has ended, either by expiration per the terms of this Agreement or by early termination as noted above, the pilot will return to normal bidding, unless there is a more senior pilot furloughed who has not been offered recall, in which case, the pilot will be furloughed effective the first contractual month after the Alternating-Month Schedule has ended.
- q. Working months during Alternating-Month Schedule awards will be included in the calculation of the Average Line Value and the Rolling Average Line Value, if applicable.
- r. Pilots awarded an Alternating-Month Schedule will continue to participate in vacancy runs in accordance with Section 17. Pilots that are trained for a new bid

status during an Alternating-Month Schedule could be required to train during their pre-plotted absence month in order to complete training and OE.

C. VOLUNTARY TRAINING WHILE ON FURLOUGH (“Furlough Training Option”)

1. With the exceptions noted below, pilots who are currently qualified on their equipment and who are either involuntarily furloughed under JCBA Section 17.V. or volunteer for a stand-in-stead furlough under JCBA Letter TT may participate in the Furlough Training Option to remain current and qualified during the pilot’s furlough in order to expedite a pilot’s return to active flying following furlough.
  - a. Pilots who were displaced from now retired fleets, i.e. E190, B767, and the A330, and who have not become qualified on their new equipment at the time of furlough are eligible to participate in the Furlough Training Option.
  - b. Pilots who were displaced from active fleets, and who have not become qualified on their new equipment at the time of furlough, but remain otherwise qualified on the equipment from which they were displaced, are eligible to participate in the Furlough Training Option on the equipment from which they were displaced.
2. The Furlough Training Option and terms related to the Furlough Training Option herein will be effective on the first day the first pilot is furloughed after the signing of this LOA and will continue until the contractual month of December 2021, unless extended by mutual agreement.
3. The Company may terminate the Furlough Training Option at any time after the contractual month of May 2021. In the event the Company terminates the Furlough Training Option, the active rate subsidization for all benefits continued through COBRA provided for in this Agreement for pilots participating in the Furlough Training Option will automatically cease effective the last day of the calendar month following the contractual month in which the Furlough Training Option is terminated but no later than December 31, 2021.
4. Pilots must elect to participate in the Furlough Training Option no later than 15 calendar days prior to the effective date of the pilot’s furlough.
5. Pilots participating in the Furlough Training Option will be required to complete assigned training.
6. Pilots participating in the Furlough Training Option shall be paid and credited in accordance with the applicable JCBA section, including Section 6.B.1 .b. and Section 6.E., and any other applicable agreement. Any pay under this provision may not be



processed in the normal payroll cycle. In addition, any pay received under this provision will not be pensionable or eligible for profit-sharing.

7. Pilots participating in the Furlough Training Option shall be provided positive space travel to and from training and shall be entitled to all lodging, per diem, and other expenses permitted under the JCBA for training.
8. The Company may determine which furloughed pilots who have elected the Furlough Training Option to train and when such training will occur. Eligible pilots who elect the Furlough Training Option will be entitled to the benefits provided for in the Furlough Training Option regardless of whether the Company chooses to train that pilot.
9. Pilots may request, in writing, to opt out of the Furlough Training Option at any time subject to the Company's concurrence. If the request is approved, the pilot will be removed from the Furlough Training Option on the 1<sup>st</sup> day of the agreed upon month.
  - a. A pilot may not elect to return to the Furlough Training Option after the pilot has opted out.
  - b. Any training scheduled for a pilot who opts out shall be cancelled.
  - c. Pilots who opt out who have remained enrolled in Company benefit plans under paragraph C.7. above, shall be considered a furloughed pilot for benefit plan purposes on the 1<sup>st</sup> day of the month following the pilot opting out.
  - d. Pilots who request to opt out are not subject to any disciplinary action as a result of the pilot's decision to opt out of the furlough training option.
10. Pilots participating in the Furlough Training Option will be recalled to their two-part bid status from which the pilot was furloughed. Pilots participating under paragraph C.1.b. above will return to the two-part bid status for which the pilot has been training under the Furlough Training Option unless the pilot is unable to hold the two-part bid status at any base. If the bid status no longer exists, the pilot will be subject to the normal recall procedures under Section 17.W. A pilot with an unexpired reinstatement right at the time of recall will be able to exercise that reinstatement right in the next vacancy bid run after recall provided the reinstatement has not expired under JCBA Section 17.W. as amended by LOA 20-004.
11. Recall of furloughed pilots who participate in the Furlough Training Option shall be governed by JCBA Section 17.W. A pilot's participation in the Furlough Training Option will not change the pilot's order of recall. Pilots who participate in the Furlough Training Option shall not be eligible to defer recall.

D. FURLOUGH BENEFITS FOR FURLOUGH STAND IN STEAD AND FURLOUGH TRAINING OPTION

1. Pilots who volunteer for a Furlough Stand in Stead under JCBA Letter TT for furloughs subject to furlough mitigation under this LOA shall continue to be eligible for all Medical/Dental/Vision benefits for which the pilot is enrolled in or eligible for at the time the furlough commences for a period of twelve (12) months, unless recalled from furlough prior to the twelve (12) month period, and all such benefits will continue to be offered throughout this period (provided through COBRA) at active employee rates, and shall be treated the same as an active pilot for ongoing enrollment, changes within, and participation in available benefit plans. This provision does not apply to pilots who would otherwise have been involuntarily furloughed but elect to do a Furlough Stand in Stead to move up the pilot's furlough date to an earlier contractual month in accordance with Letter TT. Pilots will be responsible for payment of the employee portion of all premiums, which will be payroll deducted or direct billed pursuant to Company practice if earnings are insufficient. A pilot's failure to make timely premium payments may result in the loss of coverage, subject to the Company's regular premium collection process.
2. Pilots participating in the Furlough Training Option, both pilots involuntarily furloughed and pilots who volunteered for a Furlough Stand in Stead, will continue to be eligible for all Medical/Dental/Vision benefits for which the pilot is enrolled in or eligible for at the time the leave commences, and all such benefits will continue to be offered throughout the pilot's participation in the Furlough Training Option (provided through COBRA) at active employee rates, and shall be treated the same as an active pilot for ongoing enrollment, changes within, and participation in available benefit plans during such time. Pilots will be responsible for payment of the employee portion of all premiums, which will be payroll deducted or direct billed pursuant to Company practice if earnings are insufficient. A pilot's failure to make timely premium payments may result in the loss of coverage, subject to the Company's regular premium collection process.

E. MODIFICATIONS TO SPECIAL LEAVES OF ABSENCE

1. LOA 20-001 is amended as follows:
  - a. Voluntary Extended Leaves of Absence ("VELOA") durations may be up to thirty-six (36) months.
  - b. The Company will award all VELOAs requested for the contractual month of October 2020 and November 2020, subject to the eligibility requirements set forth in LOA 20-001; except the Company will not award VELOAs to pilots who



would otherwise be furloughed in October 2020 or November 2020, respectively. VELOA requests from pilots who would otherwise be furloughed in October 2020 or November 2020 may be approved at the discretion of the Company.

- c. The Company may cancel a VELOA of any duration in accordance with LOA 20-001; however, for any VELOA which is more than twelve (12) months and up to twenty-four (24) months in duration, a pilot on such a VELOA may defer the cancellation up to ninety (90) days from the date of notice, and for any VELOA which exceeds twenty-four (24) months, a pilot on such a VELOA may defer the cancellation up to one-hundred eighty (180) days from the date of notice. Notice periods may be shortened with both pilot and Company concurrence.
  - d. Pilots on a VELOA which exceeds twelve (12) months in duration do not need prior Company permission to engage in outside flying.
  - e. In the event a pilot has equivalent or better alternate employer-subsidized Medical/Dental/Vision coverage available, the pilot will notify the Company of such coverage and the pilot will not be eligible for Medical/Dental/Vision benefits as provided in LOA 20-001.
  - f. Any VELOA awarded after the effective date of this LOA of 12 months or longer in duration shall offset involuntary furloughs on a one-for-one basis; however, a pilot who would otherwise be involuntarily furloughed in October 2020 or November 2020 may not reduce a furlough for another pilot who is also subject to involuntary furlough.
  - g. After the pilot's VELOA has ended, the pilot will return to normal bidding, unless a more senior pilot is furloughed and has not been offered recall, in which case, the pilot will be furloughed.
  - h. The LOA 20-001 amendments contained herein shall only apply to any VELOA awarded after the effective date of this LOA.
- 2. These modifications shall remain in effect regardless of whether the other provisions of this LOA have been terminated or expired by their own terms for so long as LOA 20-001 remains in effect.
  - 3. A pilot who is on military leave during the Period of Furlough shall not have those days of military leave count toward the pilot's cumulative military leave limit for contractual or statutory purposes. This provision is in addition to, and does not supersede, the military leave provisions contained in LOA 20-001 and its associated Q&A.

IN WITNESS WHEREOF, the Parties have signed this Letter this 3rd day of August 2020.

FOR THE ALLIED PILOTS  
ASSOCIATION



Captain Eric Ferguson  
President

FOR THE COMPANY



Captain Kimball Stone  
SVP, Flight Operations and IOC

cc: APA Negotiating Committee  
APA Negotiating Department  
AA Labor Relations  
AA Legal



August 3, 2020

Captain Eric Ferguson  
President  
Allied Pilots Association  
14600 Trinity Boulevard  
Suite 500  
Fort Worth, TX 76155-2512

**RE: LOA 20-006 - August 2020 Voluntary Early Out Program**

Dear Captain Ferguson:

This Letter of Agreement (“Letter”) is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between American Airlines, Inc. (“American” or the “Company”) and the Pilots in the service of American Airlines, Inc., as represented by the Allied Pilots Association (“Union” or the “Association”), with both the Company and Union referred to as the “Parties.”

The below Special Voluntary Early Out Program is not being provided generally going forward but has been agreed to by American and the Union on a one-time basis to address the impact of the COVID-19 pandemic. The Parties agree the below Special Voluntary Early Out Program is not comparable and is in addition to any existing program provided pursuant to the Joint Collective Bargaining Agreement (“JCBA”) or any other program provided by the Company. Moreover, the time period to apply for the below Special Voluntary Early Out Program shall be limited.

**VOLUNTARY EARLY OUT PROGRAM**

The Parties agree that the Voluntary Early Out Program (“VEOP”) will be subject to the following terms and conditions:

**VEOP Benefits**

A Pilot who (i) meets the eligibility requirements for the particular options described below; (ii) during the application period timely applies for one of the VEOP options described below; (iii) is awarded one of the VEOP options by the Company; (iv) executes the general release prepared by the Company; and (iv) satisfies all other conditions of the VEOP program as set forth in this Letter, will receive the following benefits (consistent with her/his option election):

**Option A – Ten (10) Years or More of Occupational Seniority – No Lump Sum**

- Eligibility – Pilots with ten (10) or more years of Occupational seniority that are in an “active status,” as determined by the Company, as of the date the VEOP opens shall be eligible to bid for this VEOP option.
- Pay – The equivalent of six (6) months of pay paid out over twelve (12) months of time as

follows: 37:00 hours of pay per month at the Pilot's applicable JCBA Hourly Pay Rate as set forth in Section 3.B. beginning on the date the VEOP commences. The JCBA hourly rate will be based on the Pilot's JCBA Hourly Pay Rate as set forth in Section 3.B. at the commencement of the VEOP and shall not include international override for any pilot, including check airmen. No other pay will be provided (e.g., no minimum guarantees or premiums of any sort will be paid). Such pay will be divided and paid out on the pay dates provided in Section 3.F of the JCBA. Pay will be subject to tax withholding as required by law.

- Travel – A one-time allotment of eight (8) round-trip positive space passes (E Inventory) to be used within five (5) years of the commencement of the VEOP. Travel as active from the commencement of the VEOP through the twelve (12) months of pay as described above.

For those that qualify under the 65 Point Plan as the date of separation (i.e. the expiration of the pay period described above) retiree travel will continue in accordance with Company policy. Eligibility for the 65 Point Plan will be determined as of the date of separation from the Company (i.e., expiration of the twelve (12) month pay period).

Those who do not qualify under the 65 Point Plan as of the date of separation (i.e., upon expiration of the twelve (12) month pay period described above) will receive twenty-four (24) months of travel privileges at D2R status, in accordance with Company policy, beginning as of the date of separation from the Company (i.e., upon expiration of the twelve (12) month pay period).

- Vacation Payout – Any accrued vacation for use in 2020/2021 and/or 2021/2022, not used as a result of an employee's VEOP, will be paid out as soon as practicable following the expiration of the twelve (12) month period of pay described above, but in no case later than the 15th of the subsequent month, unless otherwise required by law.
- Health Benefits – Eligibility for medical, dental & vision benefits at active rates for thirty (30) months following the commencement of the VEOP. During the thirty (30) months following the commencement of the VEOP, a Pilot on a VEOP will be responsible for payment of the employee portion of all premiums, which will be payroll deducted (or direct billed pursuant to Company practice for the remainder if earnings are insufficient). A Pilot's failure to make timely premium payments may result in the loss of coverage, subject to the Company's regular premium collection process. COBRA benefits will run concurrently beginning in the thirteenth (13th) month following the commencement of the VEOP.
- For Pilots With 65 Points ONLY – Retiree Health Reimbursement Arrangement ("RHRA") – For those Pilots who meet all eligibility requirements of the VEOP and who have 65 points under the 65-point plan as of the date of retirement from the Company, the Company will establish a Retiree Health Reimbursement Arrangement ("RHRA") for the Pilot, as soon as is administratively practicable following the Pilot's retirement from the Company, and credit to a notional HRA the value indicated in the chart below. The RHRA credits may be used for qualified medical expenses, as specified in Internal Revenue Code Section 213(d), for any qualified medical plan. The RHRA credits may only be used to





reimburse a Pilot for unreimbursed, substantiated, qualified medical expenses, and qualified premiums as specified in Code Section 213(d) of the Pilot and/or eligible dependents up to the Pilot's RHRA credit balance. Upon retiree's death, the Pilot's surviving spouse is eligible to continue to use any remaining credits, and may use such credits for eligible dependent qualified expenses. All RHRA credits will be forfeited: (1) upon death of retiree Pilot with no surviving spouse; (2) upon death of surviving spouse who became eligible to continue RHRA usage after death of retiree; and (3) if retiree Pilot is rehired by American Airlines. The RHRA must comply with all applicable laws and regulations. The Company will be responsible for drafting and maintaining the RHRA plan documents(s), will have discretion over all plan-related items not addressed in this Letter, and will be responsible for any operating costs associated with the RHRA. The Company shall have the right to amend any provision of the HRA plan that is required by applicable law or is necessary to maintain the tax qualified status of the plan.

| Years (Y) Until Employee Medicare Eligible (as of Retirement/Separation Date) | RHRA Credit Value |
|-------------------------------------------------------------------------------|-------------------|
| $Y > 4$                                                                       | \$150,000         |
| $3 < Y \leq 4$                                                                | \$140,000         |
| $2 < Y \leq 3$                                                                | \$130,000         |
| $1 < Y \leq 2$                                                                | \$120,000         |
| $Y \leq 1$                                                                    | \$110,000         |
| Medicare Eligible as of Retirement Date                                       | \$100,000         |

#### **Option B – Ten (10) Years or More of Occupational Seniority – Lump Sum**

- **Eligibility** – Pilots with ten (10) or more years of Occupational seniority that are in an “active status,” as determined by the Company, as of the date the VEOP opens shall be eligible to bid for this VEOP option.
- **Pay** – 444 hours of pay at the Pilot's JCBA Hourly Pay Rate as set forth in Section 3.B. (i.e., no international override for any pilot, including check airmen, no premiums) paid as a one-time lump sum no later than August 15, 2021. The lump sum payment will be subject to tax withholding as required by law. The JCBA hourly rate will be based on the Pilot's JCBA Hourly Pay Rate as set forth in Section 3.B. at the commencement of the VEOP.
- **Travel** – A one-time allotment of eight (8) round-trip positive space passes (E Inventory) to be used within five (5) years of the commencement of the VEOP. Those who do not qualify under the 65 Point Plan will receive twenty-four (24) months of travel privileges at D2R status, in accordance with Company policy, beginning upon the commencement of the VEOP. Those who qualify under the 65 Point Plan as of the commencement of the



VEOP will receive retiree travel in accordance with Company policy, beginning upon the commencement of the VEOP.

- Vacation Payout – Any accrued vacation for use in 2020/2021 and/or 2021/2022, not used as a result of an employee's VEOP, will be paid out as soon as practicable following the commencement of the VEOP, but in no case later than the 15th of the subsequent month, unless otherwise required by law.
- Health Benefits – Eligibility for medical, dental & vision benefits at active rates for thirty (30) months through COBRA following the commencement of the VEOP. During the thirty (30) months following the commencement of the VEOP, a Pilot on a VEOP will be responsible for payment of the employee portion of all premiums, which will be payroll deducted (or direct billed pursuant to Company practice for the remainder if earnings are insufficient). A Pilot's failure to make timely premium payments may result in the loss of coverage, subject to the Company's regular premium collection process. COBRA benefits will run concurrently beginning upon the commencement of the VEOP.
- For Pilots With 65 Points ONLY – Retiree Health Reimbursement Arrangement ("RHRA") – For those Pilots who meet all eligibility requirements of the VEOP and who have 65 points under the 65-point plan as of the date of retirement from the Company, the Company will establish a Retiree Health Reimbursement Arrangement ("RHRA") for the Pilot, as soon as is administratively practicable following the Pilot's retirement from the Company, and credit to a notional HRA the value indicated in the chart below. The RHRA credits may be used for qualified medical expenses, as specified in Internal Revenue Code Section 213(d), for any qualified medical plan. The RHRA credits may only be used to reimburse a Pilot for unreimbursed, substantiated, qualified medical expenses, and qualified premiums as specified in Code Section 213(d) of the Pilot and/or eligible dependents up to the Pilot's RHRA credit balance. Upon retiree's death, the Pilot's surviving spouse is eligible to continue to use any remaining credits, and may use such credits for eligible dependent qualified expenses. All RHRA credits will be forfeited: (1) upon death of retiree Pilot with no surviving spouse; (2) upon death of surviving spouse who became eligible to continue RHRA usage after death of retiree; and (3) if retiree Pilot is rehired by American Airlines. The RHRA must comply with all applicable laws and regulations. The Company will be responsible for drafting and maintaining the RHRA plan documents(s), will have discretion over all plan-related items not addressed in this Letter, and will be responsible for any operating costs associated with the RHRA. The Company shall have the right to amend any provision of the HRA plan that is required by applicable law or is necessary to maintain the tax qualified status of the plan.

| Years (Y) Until Employee Medicare Eligible (as of Retirement Date) | RHRA Credit Value |
|--------------------------------------------------------------------|-------------------|
| $Y > 4$                                                            | \$150,000         |
| $3 < Y \leq 4$                                                     | \$140,000         |
| $2 < Y \leq 3$                                                     | \$130,000         |





|                                                    |           |
|----------------------------------------------------|-----------|
| $1 < Y \leq 2$                                     | \$120,000 |
| $Y \leq 1$                                         | \$110,000 |
| Medicare Eligible as of Retirement/Separation Date | \$100,000 |

### **VEOP Other Considerations for All Options**

- The Company will determine the starting dates and total number of VEOPs that will be offered. VEOPs will be awarded in system seniority order. The Company will make a reasonable effort to release all Pilots who elected the VEOP within twelve (12) months following the awards.
- A Pilot awarded a VEOP will not be subject to involuntary furlough.
- Any Pilot who participates in the VEOP shall not be eligible for any other form of severance pay (other than as described above) and shall be released from the Company upon commencement of the VEOP and removed from payroll upon expiration of the period of pay benefits, as applicable (Option A: removal twelve (12) months after commencement of the VEOP; Option B: removal upon commencement of the VEOP).
- If the Company receives a request for information from a state or local agency with responsibility for unemployment compensation claims, the Company will respond by providing factually accurate information regarding an employee's status. However, the Company will not actively contest an employee's claim for unemployment compensation benefits.
- Pilots on either of the VEOP options will not accrue vacation or sick time after the commencement of the VEOP, and will not accrue any type of seniority following the commencement of the VEOP. A Pilot may not use her/his paid sick or vacation at any time after the commencement of the VEOP.
- Participation in the VEOP is entirely voluntary on the part of any Pilot who wishes to receive benefits and such Pilot shall execute a general release of all claims in a form to be prepared by the Company. The Company will make the general release available for review during the period the VEOP is open for consideration.
- Once awarded, a VEOP must be accepted by the Pilot.

This Letter does not change, alter, or modify the provisions of any AA/APA Joint Collective Bargaining Agreement, except as expressly provided herein. The terms or existence of this Letter will not be construed against any Party.

**[SIGNATURES ON FOLLOWING PAGE]**



IN WITNESS WHEREOF, the Parties have signed this Letter this 3<sup>rd</sup> day of August 2020.

FOR THE ALLIED PILOTS  
ASSOCIATION

A handwritten signature in black ink, appearing to read "Eric Ferguson", written over a horizontal line.

Captain Eric Ferguson  
President

FOR THE COMPANY

A handwritten signature in black ink, appearing to read "Kimball Stone", written over a horizontal line.

Captain Kimball Stone  
SVP, Flight Operations and IOC

cc: APA Negotiating Committee  
APA Negotiating Department  
AA Labor Relations  
AA Legal



Kimball Stone  
Senior Vice President – Flight Operations &  
Integrated Operations Center



September 22, 2020

Captain Eric Ferguson  
President  
Allied Pilots Association  
14600 Trinity Boulevard  
Suite 500  
Fort Worth, TX 76155-2512

**RE: LOA 20-007 – Voluntary Option to Retire (VOR)**

Dear Captain Ferguson:

This Letter of Agreement (“Letter” or “LOA”) is made and entered into by and between American Airlines, Inc. (“American” or the “Company”) and the Pilots in the service of American Airlines, Inc., as represented by the Allied Pilots Association (the “Association”), together referred to as the “Parties.”

The below Voluntary Option to Retire (VOR) is not being provided generally going forward but has been agreed to by American and the Association on a one-time basis to address the impact of the COVID-19 pandemic, including addressing the desire of both Parties to mitigate furloughs. The Parties agree the below VOR is not comparable and is in addition to any existing program provided pursuant to the Joint Collective Bargaining Agreement (“JCBA”) or any other program provided by the Company. Moreover, the time period to apply for and accept the below VOR shall be limited.

The Parties agree to the following terms and conditions:

**A. VOR Eligibility and General Provisions**

1. A Pilot is eligible to request a Voluntary Option to Retire if the pilot:
  - a. reaches the mandatory pilot retirement age on or after October 1, 2020,
  - b. has at least ten (10) years of occupational seniority at American Airlines, Inc.,
  - c. is currently an active pilot subject to the collective bargaining agreement, and
  - d. was eligible for and requested early retirement under LOA 20-006.
2. The Company shall review VOR requests and shall select all eligible pilots who submit a VOR request. Upon notification to a pilot that the pilot has been selected for a VOR, the pilot will have forty-eight (48) hours to accept the VOR by notifying the Company of the pilot’s acceptance. If the pilot does not accept the VOR or if the pilot fails to respond within the forty-eight (48) hours, the VOR will be rescinded and will no longer be valid for that pilot. Once accepted, the pilot will be removed from all flying in October.
3. All VOR shall be effective and commence on October 1, 2020. Upon commencement of the VOR, the pilot has no further obligations to the Company other than the execution of the general release noted below.

4. Participation in a VOR is entirely voluntary on the part of any Pilot who wishes to receive VOR benefits. Each pilot who accepts a VOR must execute and return a general release prepared by the Company prior to receiving any benefits under the VOR. The pilot must execute and return the release to the Company no later than 5:00 p.m. central time seven (7) days after the pilot accepts the VOR. A pilot's VOR will be automatically granted when the pilot returns the executed general release. Once granted, the VOR is irrevocable and may not be rejected or rescinded by either the Company or the pilot. The Company will make the general release available for review. The general release is a separate agreement between the pilot and the Company. After the pilot has accepted the VOR, in the event the pilot does not execute and return the general release by 5:00 p.m. central time seven (7) days after the pilot accepts the VOR, for whatever reason, the pilot will not be eligible for any of the benefits set forth in this LOA and the VOR will be automatically rescinded and will no longer be valid for that pilot.

5. Pilots who fail to execute and return the general release, for whatever reason, shall be awarded a reserve line for the contractual month of October 2020 starting the day after the deadline to return the executed general release. A reserve line will also be built for a pilot in the event the pilot affirmatively notifies the Company in writing, prior to the seven-day deadline, that the pilot will not be executing and returning the general release. In both instances, the pilot's monthly reserve available days and guarantee will be prorated (as per the proration chart in JCBA Section 15.D.4.k) for the number of remaining available days in the October 2020 contractual month accounting for the number of days lapsed prior to the reserve line being built.

6. For each pilot who is granted a VOR under this LOA, the Company will award an additional conditional Zero Line request under LOA 20-005 on a one-for-one basis, except for that no one-for-one Zero Line award will be required or awarded for a pilot granted a VOR who will reach the mandatory retirement age prior to October 1, 2021. A conditional Zero Line shall not be awarded on a one-for-one basis for a pilot who initially accepts a VOR but who does not return an executed general release and ultimately is not granted a VOR. These VOR self-mitigation awards will be in addition to any other furlough mitigation or self-mitigation awards under LOA 20-005.

## **B. VOR Benefits**

Pilots requesting a VOR must specifically request either Option A or Option B. Pilots granted a VOR will receive the benefits listed below (consistent with the pilot's option election).

### **1. Option A – Twelve (12) Months of Partial Pay**

- a. **Pay** – The pilot will receive 37 hours of pay per month over the next twelve (12) months or until the date of the pilot's mandatory retirement, whichever is sooner, in installments over the applicable period.
  - 1) The 37:00 hours of pay per month will be paid beginning in October 2020, the month the VOR commences, and for each month until the earlier of the month of the pilot's mandatory retirement date or September 30, 2021.
  - 2) The final month of pay for a pilot that reaches the mandatory retirement age during the VOR will have the 37:00 hours of pay prorated for the days in the month when the pilot reaches the mandatory retirement age. For example, a pilot who is age 63 on October 1, 2020 will receive twelve (12) months of 37:00 hours of pay per month; a pilot who reaches the mandatory retirement age on May 15, 2021 will



receive seven (7) months of 37:00 hours of pay per month and 16:00 hours for the 13 days prorated amount for May 2021.

- 3) The hourly rate will be based on the Pilot's JCBA Hourly Pay Rate as set forth in Section 3.B. as of October 1, 2020 and shall not include international override for any pilot, including check airmen. No other pay will be provided (e.g., no minimum guarantees or premiums of any sort will be paid). Such pay will be divided and paid out on the pay dates provided in Section 3.F of the JCBA. Pay will be subject to tax withholding as required by law.

b. Travel – Pilots who elect the 12-month option shall receive the following travel benefits.

- 1) A one-time allotment of eight (8) round-trip positive space passes (E Inventory) to be used within five (5) years of the commencement of the VOR.
- 2) Travel as active from the commencement of the VOR through the earlier of the twelve (12) months of pay as described above or the pilot's mandatory retirement date.
- 3) For those that qualify under the 65 Point Plan as the date of separation (i.e. the expiration of the pay period described above), retiree travel will continue in accordance with Company policy. Eligibility for the 65 Point Plan will be determined as of the date of separation from the Company (i.e., the earlier of the expiration of the twelve (12) month pay period or the pilot's mandatory retirement date).
- 4) For those who do not qualify under the 65 Point Plan as of the date of separation (i.e., the earlier of the expiration of the twelve (12) month pay period described above or the pilot's mandatory retirement date) will receive twenty-four (24) months of travel privileges at D2R status, in accordance with Company policy, beginning as of the date of separation from the Company (i.e., the earlier of the expiration of the twelve (12) month pay period or the pilot's mandatory retirement date).

c. Vacation Payout – Any accrued vacation for use in 2020/2021 and/or 2021/2022, not used as a result of an employee's VOR, will be paid out as soon as practicable following the pilot's date of separation from the Company (i.e., the earlier of the expiration of the twelve (12) month period of pay described above or the pilot's mandatory retirement date), but in no case later than the 15th of the subsequent month, unless otherwise required by law.

d. Health Benefits – Eligibility for medical, dental, and vision benefits at active rates for thirty (30) months following the commencement of the VOR. During the thirty (30) months following the commencement of the VOR, the pilot will be responsible for payment of the employee portion of all premiums, which will be payroll deducted (or direct billed pursuant to Company practice for the remainder if earnings are insufficient). A pilot's failure to make timely premium payments may result in the loss of coverage, subject to the Company's regular premium collection process. COBRA benefits will run concurrently beginning in first month following the pilot's separation from the Company (i.e. the earlier of the first month following the pilot's mandatory retirement date, or the thirteenth (13th) month following the commencement of the VOR (October 1, 2021)).

- e. For Pilots With 65 Points ONLY – Retiree Health Reimbursement Arrangement (“RHRA”) – For those Pilots who meet all eligibility requirements of the VOR and who have 65 points under the 65-point plan as of the date of retirement from the Company, the Company will establish a Retiree Health Reimbursement Arrangement (“RHRA”) for the Pilot, as soon as is administratively practicable following the Pilot’s retirement from the Company, and credit to a notional HRA the value indicated in the chart below. The RHRA credits may be used for qualified medical expenses, as specified in Internal Revenue Code Section 213(d), for any qualified medical plan. The RHRA credits may only be used to reimburse a Pilot for unreimbursed, substantiated, qualified medical expenses, and qualified premiums as specified in Code Section 213(d) of the Pilot and/or eligible dependents up to the Pilot’s RHRA credit balance. Upon retiree’s death, the Pilot’s surviving spouse is eligible to continue to use any remaining credits, and may use such credits for eligible dependent qualified expenses. All RHRA credits will be forfeited: (1) upon death of retiree Pilot with no surviving spouse; (2) upon death of surviving spouse who became eligible to continue RHRA usage after death of retiree; and (3) if retiree Pilot is rehired by American Airlines. The RHRA must comply with all applicable laws and regulations. The Company will be responsible for drafting and maintaining the RHRA plan documents(s), will have discretion over all plan-related items not addressed in this Letter, and will be responsible for any operating costs associated with the RHRA. The Company shall have the right to amend any provision of the HRA plan that is required by applicable law or is necessary to maintain the tax qualified status of the plan.

| Years (Y) Until Employee Medicare Eligible (as of Retirement/Separation Date) | RHRA Credit Value |
|-------------------------------------------------------------------------------|-------------------|
| $Y > 4$                                                                       | \$150,000         |
| $3 < Y \leq 4$                                                                | \$140,000         |
| $2 < Y \leq 3$                                                                | \$130,000         |
| $1 < Y \leq 2$                                                                | \$120,000         |
| $Y \leq 1$                                                                    | \$110,000         |

## 2. Option B – Lump Sum

- a. Pay – The pilot will receive 444 hours of pay (37 hours multiplied by twelve (12)) as a one-time lump sum payment at the pilot’s hourly pay rate, unless the pilot is within twelve (12) months of the pilot’s mandatory retirement age as of October 1, 2020, in which case the multiplier will be equal to the number of months until the date of the pilot’s mandatory retirement with the final month prorated as described below.
- 1) The final month of pay for a pilot that reaches the mandatory retirement age during the VOR will have the 37:00 hours of pay prorated for the days in the month prior to when the pilot reaches the mandatory retirement age. For example, a pilot who is age 63 on October 1, 2020, will receive 444 hours of pay paid as a one-time lump sum; a pilot who reaches the mandatory retirement age on May 15, 2021 will receive 275 hours of pay (7 months at 37:00 hours per month, plus 16:00 hours for the 13 days prorated amount for May 2021).



- 2) The hourly rate will be based on the Pilot's JCBA Hourly Pay Rate as set forth in Section 3.B. as of October 1, 2020 and shall not include international override for any pilot, including check airmen. No other pay will be provided (e.g., no minimum guarantees or premiums of any sort will be paid). The lump sum payment will be subject to tax withholding as required by law.
  - 3) The one-time lump sum payment shall be paid no later than August 15, 2021.
- b. Travel – Pilots who elect the lump sum option shall receive the following travel benefits.
- 1) A one-time allotment of eight (8) round-trip positive space passes (E Inventory) to be used within five (5) years of the commencement of the VOR.
  - 2) Those who qualify under the 65 Point Plan as of the commencement of the VOR will receive retiree travel in accordance with Company policy, beginning upon the commencement of the VOR.
  - 3) Those who do not qualify under the 65 Point Plan will receive twenty-four (24) months of travel privileges at D2R status, in accordance with Company policy, beginning upon the commencement of the VOR.
- c. Vacation Payout – Any accrued vacation for use in 2020/2021 and/or 2021/2022, not used as a result of an employee's VOR, will be paid out as soon as practicable following the commencement of the VOR (October 1, 2020), but in no case later than the 15<sup>th</sup> of the subsequent month, unless otherwise required by law.
- d. Health Benefits – Eligibility for medical, dental, and vision benefits at active rates for thirty (30) months through COBRA following the commencement of the VOR. During the thirty (30) months following the commencement of the VOR, the pilot will be responsible for payment of the employee portion of all premiums, which will be payroll deducted (or direct billed pursuant to Company practice for the remainder if earnings are insufficient). A Pilot's failure to make timely premium payments may result in the loss of coverage, subject to the Company's regular premium collection process. COBRA benefits will run concurrently beginning upon the commencement of the VOR.
- e. For Pilots With 65 Points ONLY – Retiree Health Reimbursement Arrangement ("RHRA") – For those Pilots who meet all eligibility requirements of the VOR and who have 65 points under the 65-point plan as of the date of retirement from the Company, the Company will establish a Retiree Health Reimbursement Arrangement ("RHRA") for the Pilot, as soon as is administratively practicable following the Pilot's retirement from the Company, and credit to a notional HRA the value indicated in the chart below. The RHRA credits may be used for qualified medical expenses, as specified in Internal Revenue Code Section 213(d), for any qualified medical plan. The RHRA credits may only be used to reimburse a Pilot for unreimbursed, substantiated, qualified medical expenses, and qualified premiums as specified in Code Section 213(d) of the Pilot and/or eligible dependents up to the Pilot's RHRA credit balance. Upon retiree's death, the Pilot's surviving spouse is eligible to continue to use any remaining credits, and may use such credits for eligible dependent qualified expenses. All RHRA credits will be forfeited: (1) upon death of retiree Pilot with no surviving spouse; (2) upon death of surviving spouse who became eligible to continue RHRA usage after death of retiree; and (3) if retiree Pilot is rehired by American Airlines. The RHRA must comply with

all applicable laws and regulations. The Company will be responsible for drafting and maintaining the RHRA plan documents(s), will have discretion over all plan-related items not addressed in this Letter, and will be responsible for any operating costs associated with the RHRA. The Company shall have the right to amend any provision of the HRA plan that is required by applicable law or is necessary to maintain the tax qualified status of the plan.

| Years (Y) Until Employee Medicare Eligible (as of Retirement Date) | RHRA Credit Value |
|--------------------------------------------------------------------|-------------------|
| $Y > 4$                                                            | \$150,000         |
| $3 < Y \leq 4$                                                     | \$140,000         |
| $2 < Y \leq 3$                                                     | \$130,000         |
| $1 < Y \leq 2$                                                     | \$120,000         |
| $Y \leq 1$                                                         | \$110,000         |

### C. Other Provisions

- a. A Pilot granted a VOR will not be subject to involuntary furlough.
- b. Any Pilot who is granted a VOR shall not be eligible for any other form of severance pay (other than as described above) and shall be released (e.g. retired or separated) from the Company upon commencement of the VOR and removed from payroll upon expiration of the period of pay benefits, as applicable (Option A: release from the Company and removal upon the earlier of September 30, 2021 (twelve (12) months after either the commencement of the VOR), or the pilot's mandatory retirement date; Option B: release from the Company removal on October 1, 2020 (commencement of the VOR).
- c. A pilot granted a VOR is not eligible to receive or continue a Special Voluntary Leave of Absence created under LOA 20-001 after the VOR commences.
- d. If the Company receives a request for information from a state or local agency with responsibility for unemployment compensation claims, the Company will respond by providing factually accurate information regarding an employee's status. However, the Company will not actively contest an employee's claim for unemployment compensation benefits.
- e. Pilots granted a VOR will not accrue vacation or sick time after the commencement of the pilot's VOR, and will not accrue any type of seniority after October 1, 2020. A Pilot may not use her/his paid sick or vacation at any time after October 1, 2020.
- f. Pilots who were scheduled to attend the March 17, 2020 new hire class (senior-most pilot being M. Hawk, AA employee number 256361, and the junior-most pilot being A. Beckles, AA employee number 592467) will have the option to elect to continue all Medical/Dental/Vision benefits for which the pilot is enrolled in or eligible for at the time any furlough commences and all such benefits will continue to be offered (provided through COBRA) at active employee rates under the same terms and conditions as pilots who



participate in the Furlough Training Option under LOA 20-005. Pilots wishing to elect this option must notify the Company no later than Monday, September 28, 2020. In the event a pilot has equivalent or better alternate employer-subsidized Medical/Dental/Vision coverage available, the pilot will notify the Company of such coverage and the pilot will not be eligible for Medical/Dental/Vision benefits as provided in LOA 20-005.

This Letter does not change, alter, or modify the provisions of any AA/APA Joint Collective Bargaining Agreement, except as expressly provided herein. The terms or existence of this Letter will not be construed against any Party.

If the foregoing accurately reflects our agreement and understanding, please countersign below and return a fully executed copy to me.

Sincerely yours,



Captain Kimball Stone  
SVP, Flight Operations and IOC

Agreed to:



CA Eric Ferguson  
President, Allied Pilots Association

cc: APA Negotiating Committee  
APA Legal  
AA Labor Relations  
AA Legal

December 24, 2020

Captain Eric Ferguson  
President  
Allied Pilots Association  
14600 Trinity Boulevard  
Suite 500  
Fort Worth, TX 76155-2512

RE: LOA 20-008 – December 2020 Recalls and Impact of PSP Extension

Dear Captain Ferguson:

This Letter of Agreement (“Letter” or “LOA”) is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between American Airlines, Inc. (“American” or the “Company”) and the Pilots in the service of American Airlines, Inc., as represented by the Allied Pilots Association (the “Association”), together referred to as the “Parties.”

This letter of agreement outlines pay and scheduling provisions for the recall of pilots furloughed in October, November, or December 2020, as well as pay and scheduling provisions for pilots who were awarded reduced schedules under LOA 20-005, including Zero Lines and Alternating Month Schedules. This letter of agreement is entered into in anticipation of or as a result of the extension of the Payroll Support Program (“PSP”). Unless otherwise specified below, this letter of agreement will be effective on the first day of the December 2020 contractual month.

1. Furloughed Pilots.

A. Recall.

- i. All furloughed pilots will be recalled and, for pay purposes, returned to the status the pilot held immediately prior to being furloughed.
  - a) Pilots who were active (excluding paid sick) immediately prior to being furloughed will be returned to a non-bidding bid status and paid 74.5 hours per month until returned to active flying status per Paragraph 1.B. below. Pilots will be paid at the Group II rate of pay, including any annual step increases.
  - b) Pilots who were on paid sick leave immediately prior to being furloughed will be returned to a paid sick leave until the pilot has exhausted their sick bank or has cleared to return to work. Once cleared to return to work, the pilot will be placed in the same status as Paragraph 1.A.i.a). above. If a pilot can demonstrate the pilot would have cleared sick prior to the pilot’s date of recall, the pilot will be retroactively placed in the same status as Paragraph 1.A.i.a). above and entitled to pay under Paragraph 1.A.i.a) above.



- c) Pilots who were on an unpaid leave status, including unpaid sick for more than 16 days, immediately prior to being furloughed and pilots who were on a Voluntary Extended Leave of Absence (“VELOA”) under LOA 20-001, as amended by LOA 20-005, that would not have expired prior to the December 2020 contractual month, will return to the leave status held. If a pilot can demonstrate the pilot would have returned from the leave status prior to the pilot’s date of recall, the pilot will be retroactively placed in the same status as Paragraph 1.A.i.a). above and entitled to pay under Paragraph 1.A.i.a) above.
- ii. Furlough pay will cease in accordance with Section 17.V.5.b. of the Joint Collective Bargaining Agreement (“JCBA”).
- iii. Vacation and sick will begin to accrue December 2, 2020. Pilots will not be eligible to bid for 2021 vacation.
- iv. Pilots will not be obligated for any flying duties until returned to active flying status per Paragraph 1.B. below. FTO pilots under LOA 20-005 may be trained prior to returning to active flying status. Any such training would be absorbed into the 74.5-hour pay protection.
- v. Pilots who have made other commitments and are unable to return to American must notify the Company and are not eligible for pay protection under this LOA, except the pilot shall not be required to repay any pay received in December 2020. Notification must be received by noon CT on January 4, 2021 and such pilots will be granted a VELOA of up to thirty-six (36) months in duration from the date of recall under LOA 20-001, as amended by 20-005.
- vi. For purposes of this recall only, JCBA Section 17.W. deferral rights are substituted with Paragraph 1.A.v. above.
- vii. Nothing herein impacts or alters the rights or protections, for either the Company or pilots, under JCBA Section 17.V. after the expiration of the Payroll Support Program.

**B. Return to Active Flying Status**

- i. For purposes of returning to active flying status, pilots will be returned in seniority order following a process similar to JCBA Section 17.W., as amended by LOA 20-004 and LOA 20-005. Notification of return to active flying status shall be consistent with the recall notification requirements in LOA 20-004. A time-stamped email to the pilot’s Company email address and any primary email address on file with the Company is considered an equivalent method that can be tracked under Paragraph 2.a.2. of LOA 20-004.

- ii. For pilots granted a VELOA under Paragraph 1.A.v. above, the Company may cancel those VELOAs in order to return the pilot to active flying in accordance with the cancellation provisions in Paragraph E.1.c. of LOA 20-005, but in no case shall the Company cancel a VELOA awarded under Paragraph 1.A.v. above, without pilot consent, earlier than nine (9) months after the date of the pilot's recall. With mutual consent of the pilot and the Company, a VELOA may be canceled at any time in accordance with Paragraph E.1.c. of LOA 20-005.
  - iii. A pilot with an unexpired reinstatement right at the time of recall will be able to exercise that reinstatement right in the next vacancy bid run after recall, provided the reinstatement has not expired under JCBA Section 17.W. as amended by LOA 20-004.
  - iv. Once returned to active flying status, pilots will be paid in accordance with the JCBA, e.g. if not qualified or current, pilots will be paid pursuant to JCBA Section 6.B.1., if qualified and current, pilots will be paid pursuant to JCBA Section 4.A. and 4.B.
2. Pilots awarded a Zero Line (ZL)
- A. The Company will offer cancellation of all ZL awards pursuant to Section B.2.m. of LOA 20-005. A pilot will be assumed to have provided mutual agreement for the cancellation unless the pilot notifies the Company no later than noon CT on January 4, 2021, of the pilot's intent to remain on the awarded ZL for the duration of the awarded ZL.
  - B. For pilots who cancel their ZL:
    - i. The cancellation will be effective on the last day of the January 2021 contractual month and pilots will be required to participate in PBS bidding for the February 2021 bid month.
    - ii. For the December 2020 contractual month, pilots will be pay protected up to 74.5 hours. For purposes of determining pay protection, the Company will take a "snapshot" of the pilot's schedule on December 22, 2020. Any trips flown above the "snapshot" projection will be paid and credited above the pay protection.
      - a) Example 1: a pilot who has 80 hours on the pilot's schedule as of the snapshot date will be expected to fly those 80 hours and paid for the hours the pilot flew. If the pilot drops any hours, through any contractual mechanism, including an EO, the pilot will not be pay protected for those hours under this provision.




- b) Example 2: a pilot who has 40 hours on the pilot's schedule as of the snapshot date will be expected to fly those 40 hours and pay protected for 34.5 hours for a total of 74.5 hours. If the pilot drops any hours, the pilot will only be pay protected the 34.5 hours. If the pilot picks up and flies a 10-hour trip on top of the 40 hours, the pilot will be paid and credited for 84.5 hours (50 hours flown plus the 34.5-hour pay protection).
    - c) Example 3: a pilot who has no hours on the pilot's schedule as of the snapshot date will be pay protected for 74.5 hours. If the pilot picks up and flies a 20-hour trip, the pilot will be paid and credited for 94.5 hours (20 hours flown plus the 74.5-hour pay protection).
  - iii. For the January 2021 contractual month, pilots will be pay protected at 74.5 hours. Time flown up to 74.5 hours will be absorbed into the 74.5-hour pay protection. Pilots will be paid and credited for time flown for any flying that exceeds 74.5 hours.
    - a) Example 1: a pilot who has 80 hours on the pilot's schedule at the beginning of the month and drops 40 hours and flies 40 hours (non-premium), will be paid 74.5 hours. There is no adjustment to the 74.5 hour pay protection for dropped trips.
    - b) Example 2: a pilot who flies the 80 hours (non-premium) in January will be paid for the 80 hours the pilot flew.
    - c) Example 3: a pilot who only flies 10 hours of premium flying will be pay protected to 74.5 hours and be paid the 10.0 hours of premium above the pay protection (total 89.5 hours).
  - iv. Pilots will continue to be able to ballot for premium trips in the DOTC/RAS application in the December 2020 contractual month and the January 2021 contractual month and will be paid above the 74.5-hour pay protection for such trips if flown.
- C. Pilots who do not cancel their ZL will remain on their ZL through the May 2021 contractual month and will not be eligible for pay protection under this LOA. The ZL will continue to be governed by the terms of LOA 20-005 with the exception of Paragraph B.2.m.ii. A pilot who chooses not to cancel an awarded ZL under this LOA may not exercise the right to early termination under Paragraph 2.m.ii. of LOA 20-005.

3. Pilots awarded an Alternating Month Schedules (AMS)

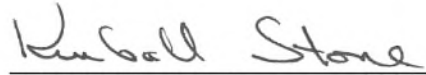
- A. The Company will offer cancellation of all AMS awards pursuant to Section B.3.o. of LOA 20-005. A pilot will be assumed to have provided mutual agreement for the cancellation unless the pilot notifies the Company no later than noon CT on January 4, 2021, that the pilot would like to stay on the awarded AMS for the duration of the awarded AMS.
- B. The cancellation will be effective on the last day of the January 2021 contractual month and pilots will be required to participate in PBS bidding for the February 2021 bid month.
- C. For pilots who cancel their AMS award:
  - i. Pilots on an AMS award who were scheduled to work in December 2020 will have no change and will be required to fly the line awarded for December and paid accordingly. These pilots will remain on a planned absence for the January 2021 contractual month and will be paid 74.5 hours for that month.
  - ii. Pilots on an AMS award who were scheduled to work in January 2021 will have no change and will be required to fly the line awarded for January and paid accordingly. These pilots will remain on a planned absence for the December 2020 contractual month and will be paid 74.5 hours for that month.
- D. Pilots who do not cancel their AMS will remain on their AMS through the May 2021 contractual month and will not be eligible for pay protection under this LOA. The AMS will continue to be governed by the terms of LOA 20-005 with the exception of Paragraph B.3.o.ii. A pilot who chooses not to cancel an awarded AMS under this LOA may not exercise the right to early termination under Paragraph B.3.o.ii. of LOA 20-005.

IN WITNESS WHEREOF, the Parties have signed this Letter this 24<sup>th</sup> day of December 2020.

FOR THE ALLIED PILOTS  
ASSOCIATION

 (signed 12/28/2020)  
Captain Eric Ferguson  
President

FOR THE COMPANY

  
Captain Kimball Stone  
SVP, Flight Operations and IOC

cc: APA Negotiating Committee  
APA Negotiating Department  
AA Labor Relations  
AA Legal



Kimball Stone  
Senior Vice President – Flight Operations &  
Integrated Operations Center



February 11, 2021

Captain Eric Ferguson  
President  
Allied Pilots Association  
14600 Trinity Boulevard  
Suite 500  
Fort Worth, TX 76155-2512

**RE: LOA 21-001 – Voluntary Option to Retire Revised Second – (VORR2)**

Dear Captain Ferguson:

This Letter of Agreement (“Letter” or “LOA”) is made and entered into by and between American Airlines, Inc. (“American” or the “Company”) and the Pilots in the service of American Airlines, Inc., as represented by the Allied Pilots Association (the “Association”), together referred to as the “Parties.”

In consideration of the ongoing impact of the COVID-19 pandemic, the Company is offering the below Voluntary Option to Retire Revised Second (VORR2). The Parties agree the below VORR2 is not comparable and is in addition to any existing program provided pursuant to the Joint Collective Bargaining Agreement (“JCBA”) or any other program provided by the Company. Moreover, the time period to apply for and accept the below VORR2 shall be limited.

The Parties agree to the following terms and conditions:

**A. VORR2 Eligibility and General Provisions**

1. A pilot is eligible to request a VORR2 if the pilot, as of the date the bidding window for this VORR2 closes:
  - a. reaches the mandatory pilot retirement age on or after May 2, 2021;
  - b. has at least ten (10) years of occupational seniority at American Airlines, Inc.; and
  - c. is on the Pilot System Seniority List, is an active pilot, and is subject to the collective bargaining agreement.
2. The Company shall review all VORR2 requests and shall have discretion with respect to the number of VORR2s awarded. VORR2s will be awarded in seniority order.
3. Pilots who elect Option A below will have their VORR2 commence and be released from flying obligations no earlier than the date the VORR2 is awarded and no later than twelve (12) months after the VORR2 is awarded. Pilots who elect Option B below will have their VORR2 commence and be separated from the Company no earlier than the date the VORR2 is awarded and no later than twelve (12) months after the VORR2 is awarded. The Company may, in its discretion, defer commencement of a VORR2 to a date after the award date but in no case later than twelve (12) months after the VORR2 is awarded. Any deferral will be

offered in seniority order and assigned in inverse seniority order by four-part bid status based on operational need.

4. Participation in a VORR2 is entirely voluntary on the part of any pilot who wishes to receive VORR2 benefits. Each pilot who accepts a VORR2 award must execute and return a general release prepared by the Company prior to receiving any benefits under the VORR2. The Company will make the general release available for review on the first day of the bidding window for the VORR2 and the pilot will have forty-five (45) calendar days from such date to review. If the pilot executes the general release prior to the end of such forty-five (45) day period, such early execution constitutes a knowing and voluntary waiver by the pilot of the pilot's right to consider the general release for forty-five (45) days, and will be considered due to the pilot's belief that the pilot had ample time in which to consider and understand the general release and review it with an attorney. The pilot will also have the opportunity to revoke the general release within seven (7) calendar days of signing it. The general release is a separate agreement between the pilot and the Company. In the event the pilot does not execute and return the general release by 5:00 p.m. Central on the 45th day from the date the bidding window opens for the VORR2, for whatever reason, the pilot will not be eligible for any of the benefits set forth in this LOA and the VORR2 will be automatically rescinded and will no longer be valid for that pilot. If the pilot revokes the general release within the revocation period after signing it, for whatever reason, the pilot will not be eligible for any of the benefits set forth in this LOA and the VORR2 will be automatically rescinded and will no longer be valid for that pilot. Once the pilot executes and returns the general release and the expiration of the revocation period for the general release has expired, the VORR2 is irrevocable and may not be rejected or rescinded by either the Company or the pilot.
5. Upon commencement of the VORR2, the pilot will be removed from flying and the pilot will have no further obligations to the Company.

#### B. VORR2 Benefits

Pilots requesting a VORR2 must specifically request either Option A or Option B. VORR2 pilots will receive the benefits listed below (consistent with the pilot's option election).

1. Option A – Twelve (12) Months of Partial Pay
  - a. Pay – The pilot will receive 37:00 hours of pay per month for twelve (12) months from the time of the commencement of the VORR2 or until the date of the pilot's mandatory retirement, whichever is sooner, in installments over the applicable period.
    - 1) The 37:00 hours of pay per month will be paid beginning on the first day of the first contractual month the VORR2 commences and for each month until the earlier of the month of the pilot's mandatory retirement date or the conclusion of the twelve (12) months.
    - 2) The final month of pay for a pilot that reaches the mandatory retirement age during the VORR2 will have the 37:00 hours of pay prorated for the days in the month when the pilot reaches the mandatory retirement age. For example, for a VORR2 that commences on May 2, 2021 and the pilot is age 63 on the commencement date of May 2, 2021, that pilot will receive twelve (12) months of the 37:00 hours of pay per month. For a VORR2 that commences on May 2, 2021 and the pilot reaches the



mandatory pilot retirement age on December 15, 2021, that pilot will receive seven (7) months of 37:00 hours of pay per month and 16:00 hours for the thirteen (13) days prorated for December 2021.

- 3) The hourly rate will be based on the pilot's JCBA Hourly Pay Rate as set forth in Section 3.B. as of the date the bidding window for this VORR2 closes and shall not include international override for any pilot, including check airmen. No other pay will be provided (e.g., no minimum guarantees or premiums of any sort will be paid). Such pay will be divided and paid out on the pay dates provided in Section 3.F. of the JCBA. Pay will be subject to tax withholding as required by law.
- b. Travel – Pilots who elect the twelve (12) month option shall receive the following travel benefits:
- 1) A one-time allotment of eight (8) round-trip positive space passes (E Inventory) to be used within five (5) years of the commencement of the VORR2.
  - 2) Travel as active from the commencement of the VORR2 through the earlier of the twelve (12) months of pay as described above or the pilot's mandatory retirement date.
  - 3) For those that qualify under the 65 Point Plan as of the date of separation (i.e., the expiration of the pay period described above), retiree travel will continue in accordance with Company policy. Eligibility for the 65 Point Plan will be determined as of the date of separation from the Company (i.e., the earlier of the expiration of the twelve (12) month pay period or the pilot's mandatory retirement date).
  - 4) For those who do not qualify under the 65 Point Plan as of the date of separation (i.e., the earlier of the expiration of the twelve (12) month pay period described above or the pilot's mandatory retirement date) will receive twenty-four (24) months of travel privileges at D2R status, in accordance with Company policy, beginning as of the date of separation from the Company (i.e., the earlier of the expiration of the twelve (12) month pay period or the pilot's mandatory retirement date).
- c. Vacation Payout – Any accrued vacation for use in 2021/2022, not used as a result of an employee's VORR2, will be paid out as soon as practicable following the pilot's date of separation from the Company (i.e., the earlier of the expiration of the twelve (12) month period of pay described above or the pilot's mandatory retirement date), but in no case later than the 15th of the subsequent month, unless otherwise required by law.
- d. Health Benefits – Eligibility for medical, dental, and vision benefits at active rates for thirty (30) months following the commencement of the VORR2. During the thirty (30) months following the commencement of the VORR2, the pilot will be responsible for payment of the employee portion of all premiums, which will be payroll deducted (or direct billed pursuant to Company practice for the remainder if earnings are insufficient). A pilot's failure to make timely premium payments may result in the loss of coverage, subject to the Company's regular premium collection process. COBRA benefits will run concurrently beginning in the first month following the pilot's separation from the Company (i.e., the earlier of the first month following the pilot's mandatory retirement date, or the thirteenth (13th) month following the commencement of the VORR2).

- e. For Pilots with 65 Points ONLY – Retiree Health Reimbursement Arrangement (“RHRA”) – For those pilots who meet all eligibility requirements of the VORR2 and who have 65 points under the 65 Point Plan as of the date of retirement from the Company, the Company will establish a Retiree Health Reimbursement Arrangement (“RHRA”) for the pilot, as soon as is administratively practicable following the pilot’s retirement from the Company, and credit to a notional HRA the value indicated in the chart below. The RHRA credits may be used for qualified medical expenses, as specified in Internal Revenue Code Section 213(d), for any qualified medical plan. The RHRA credits may only be used to reimburse a pilot for unreimbursed, substantiated, qualified medical expenses, and qualified premiums as specified in Code Section 213(d) of the pilot and/or eligible dependents up to the pilot’s RHRA credit balance. Upon retiree’s death, the pilot’s surviving spouse is eligible to continue to use any remaining credits, and may use such credits for eligible dependent qualified expenses. All RHRA credits will be forfeited: (1) upon death of retiree pilot with no surviving spouse; (2) upon death of surviving spouse who became eligible to continue RHRA usage after death of retiree; and (3) if retiree pilot is rehired by American Airlines. The RHRA must comply with all applicable laws and regulations. The Company will be responsible for drafting and maintaining the RHRA plan document(s), will have discretion over all plan-related items not addressed in this Letter, and will be responsible for any operating costs associated with the RHRA. The Company shall have the right to amend any provision of the HRA plan that is required by applicable law or is necessary to maintain the tax qualified status of the plan.

| Years (Y) Until Employee Medicare Eligible (as of Retirement/Separation Date) | RHRA Credit Value |
|-------------------------------------------------------------------------------|-------------------|
| $Y > 4$                                                                       | \$150,000         |
| $3 < Y \leq 4$                                                                | \$140,000         |
| $2 < Y \leq 3$                                                                | \$130,000         |
| $1 < Y \leq 2$                                                                | \$120,000         |
| $Y \leq 1$                                                                    | \$110,000         |
| Medicare Eligible as of Separation Date                                       | \$100,000         |

## 2. Option B – Lump Sum

- a. Pay – The pilot will receive 444 hours of pay (37:00 hours multiplied by twelve (12)) as a one-time lump sum payment at the pilot’s hourly pay rate, unless the pilot is within twelve (12) months of the pilot’s mandatory retirement age as of the date the VORR2 commences, in which case the multiplier will be equal to the number of months until the date of the pilot’s mandatory retirement with the final month prorated as described below.
- 1) The final month of pay for a pilot that reaches the mandatory retirement age during the VORR2 will have the 37:00 hours of pay prorated for the days in the month prior to when the pilot reaches the mandatory retirement age. For example, for a VORR2 that commences on May 2, 2021 and the pilot is age 63 on the commencement date of



May 2, 2021, that pilot will receive 444 hours of pay paid as a one-time lump sum. For a VORR2 that commences on May 2, 2021 and the pilot who reaches the mandatory retirement age on December 15, 2021, that pilot will receive 275 hours of pay (seven (7) months at 37:00 hours per month, plus 16:00 hours for the thirteen (13) days prorated amount for December 2021).

- 2) The hourly rate will be based on the pilot's JCBA Hourly Pay Rate as set forth in Section 3.B. as of the date the bidding window for this VORR2 closes and shall not include international override for any pilot, including check airmen. No other pay will be provided (e.g., no minimum guarantees or premiums of any sort will be paid). The lump sum payment will be subject to tax withholding as required by law.
  - 3) The one-time lump sum payment shall be paid no later than twelve (12) months after the VORR2 is awarded.
- b. Travel – Pilots who elect the lump-sum option shall receive the following travel benefits:
- 1) A one-time allotment of eight (8) round-trip positive space passes (E Inventory) to be used within five (5) years of the commencement of the VORR2.
  - 2) Those who qualify under the 65 Point Plan as of the commencement of the VORR2 will receive retiree travel in accordance with Company policy, beginning upon the commencement of the VORR2.
  - 3) Those who do not qualify under the 65 Point Plan will receive twenty-four (24) months of travel privileges at D2R status, in accordance with Company policy, beginning upon the commencement of the VORR2.
- c. Vacation Payout – Any accrued vacation for use in 2021/2022, not used as a result of an employee's VORR2, will be paid out as soon as practicable following the commencement of the VORR2, but in no case later than the 15<sup>th</sup> of the subsequent month, unless otherwise required by law.
- d. Health Benefits – Eligibility for medical, dental, and vision benefits at active rates for thirty (30) months through COBRA following the commencement of the VORR2. During the thirty (30) months following the commencement of the VORR2, the pilot will be responsible for payment of the employee portion of all premiums, which will be payroll deducted (or direct billed pursuant to Company practice for the remainder if earnings are insufficient). A pilot's failure to make timely premium payments may result in the loss of coverage, subject to the Company's regular premium collection process. COBRA benefits will run concurrently beginning upon the commencement of the VORR2.
- e. For Pilots with 65 Points ONLY – Retiree Health Reimbursement Arrangement ("RHRA") – For those pilots who meet all eligibility requirements of the VORR2 and who have 65 points under the 65 Point Plan as of the date of retirement from the Company, the Company will establish a Retiree Health Reimbursement Arrangement ("RHRA") for the pilot, as soon as is administratively practicable following the pilot's retirement from the Company, and credit to a notional HRA the value indicated in the chart below. The RHRA credits may be used for qualified medical expenses, as specified

in Internal Revenue Code Section 213(d), for any qualified medical plan. The RHRA credits may only be used to reimburse a pilot for unreimbursed, substantiated, qualified medical expenses, and qualified premiums as specified in Code Section 213(d) of the pilot and/or eligible dependents up to the pilot's RHRA credit balance. Upon retiree's death, the pilot's surviving spouse is eligible to continue to use any remaining credits, and may use such credits for eligible dependent qualified expenses. All RHRA credits will be forfeited: (1) upon death of retiree pilot with no surviving spouse; (2) upon death of surviving spouse who became eligible to continue RHRA usage after death of retiree; and (3) if retiree pilot is rehired by American Airlines. The RHRA must comply with all applicable laws and regulations. The Company will be responsible for drafting and maintaining the RHRA plan document(s), will have discretion over all plan-related items not addressed in this Letter, and will be responsible for any operating costs associated with the RHRA. The Company shall have the right to amend any provision of the HRA plan that is required by applicable law or is necessary to maintain the tax qualified status of the plan.

| Years (Y) Until Employee Medicare Eligible (as of Retirement Date) | RHRA Credit Value |
|--------------------------------------------------------------------|-------------------|
| $Y > 4$                                                            | \$150,000         |
| $3 < Y \leq 4$                                                     | \$140,000         |
| $2 < Y \leq 3$                                                     | \$130,000         |
| $1 < Y \leq 2$                                                     | \$120,000         |
| $Y \leq 1$                                                         | \$110,000         |
| Medicare Eligible as of Separation Date                            | \$100,000         |

#### C. Other Provisions

1. A VORR2 pilot will not be subject to involuntary furlough.
2. VORR2 pilots shall not be eligible for any other form of severance pay (other than as described above) and shall be released (e.g., retired or separated) from the Company upon commencement of the VORR2 and removed from payroll upon expiration of the period of pay benefits, as applicable (Option A: release from the Company and removal upon the earlier of twelve (12) months after either the commencement of the VORR2, or the pilot's mandatory retirement date; Option B: release from the Company and removal on commencement of the VORR2).
3. Pilots who have commenced a VORR2 are not eligible to receive or continue a Special Voluntary Leave of Absence created under LOA 20-001, as amended by LOA 20-005, or a Reduced Schedule Option under LOA 20-005, after the VORR2 commences.
4. If the Company receives a request for information from a state or local agency with responsibility for unemployment compensation claims, the Company will respond by providing factually accurate information regarding an employee's status. However, the



Company will not actively contest an employee's claim for unemployment compensation benefits.

5. VORR2 pilots will not accrue vacation or sick time after the commencement of the pilot's VORR2, and will not accrue any type of seniority after the commencement of the pilot's VORR2. A pilot may not use paid sick or vacation after the commencement of the pilot's VORR2.

This Letter does not change, alter, or modify the provisions of any AA/APA Joint Collective Bargaining Agreement, except as expressly provided herein. The terms or existence of this Letter will not be construed against any Party.

If the foregoing accurately reflects our agreement and understanding, please countersign below and return a fully executed copy to me.

Sincerely yours,



Captain Kimball Stone  
SVP, Flight Operations and IOC

Agreed to:



Captain Eric Ferguson  
President, Allied Pilots Association

cc: APA Negotiating Committee  
APA Negotiating Department  
AA Labor Relations  
AA Legal

Kimball Stone  
Senior Vice President – Flight Operations &  
Integrated Operations Center



March 25, 2021

Captain Eric Ferguson  
President  
Allied Pilots Association  
14600 Trinity Boulevard  
Suite 500  
Fort Worth, TX 76155-2512

RE: LOA 21-002 – Global COVID Pilot Vaccinations/Testing/Protections

Dear Captain Ferguson:

This Letter of Agreement (“Letter” or “LOA”) is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between American Airlines, Inc. (“American,” “AA,” or the “Company”) and the Pilots in the service of American Airlines, Inc., as represented by the Allied Pilots Association (the “Association”), together referred to as the “Parties.”

This letter of agreement addresses areas of the Joint Collective Bargaining Agreement (“JCBA”) impacted by the world-wide COVID-19 pandemic. The Parties recognize that the effects of the COVID pandemic are ongoing and continue to have an impact on operations and pilot safety and well-being. The Parties also recognize that some locations to which American flies are requiring mandatory COVID pre- or post-flight testing for flight crew and/or quarantine of flight crew upon arrival, regardless of layover duration, and that COVID-related circumstances or requirements often change or adjust with little or no notice. The Parties further recognize, the FAA has determined that pilots may receive a COVID-19 vaccine under the conditions of their FAA-issued airman medical certification. The FAA requires pilots with medical certifications to observe a period of 48 hours following the administration of each dose of this vaccine before conducting safety-sensitive aviation duties, such as flying.

The goal of this agreement is to address the continuing issues uniquely related to the COVID-19 pandemic and to balance the needs of the operation with the safety and well-being of the Company and its pilots. The Letter includes pay and scheduling provisions for pilots who receive a COVID-19 vaccination to compensate the pilot for the pilot’s inability to exercise the pilot’s certificates. The Letter also includes pay and scheduling provisions for pilots who are required to take a mandatory pre-departure or post-arrival COVID test, and other provisions designed to protect both flight operations and the health, safety, and well-being of pilots. With the exception of Paragraph 2.g. below, the following provisions are not considered incentives for receiving the COVID-19 vaccine. Unless otherwise specified below, this letter of agreement will be effective upon execution. To that end, the Parties agree as follows:

1. COVID Vaccinations – General Provisions

- a. For those pilots who elect to be vaccinated, each pilot may choose when, where, and from whom to receive the COVID vaccination.





- b. To qualify for the vaccination pay provisions of 5:15 pay no credit under this LOA, the pilot must:
  - i. Receive an FAA-approved or authorized vaccine;
  - ii. Hold a valid first-class medical certificate at the time the vaccination is administered;
  - iii. Be an active pilot at the time the vaccination is administered;
  - iv. Be on the Pilot System Seniority List and subject to the collective bargaining agreement at the time the vaccination is administered; and
  - v. Meet any additional requirements listed in this LOA.
- c. "Duty" as referred to in this LOA means a Sequence, a Reserve Availability Period (RAP) for a Short Call reserve pilot, or for a Long Call reserve pilot a Reserve Availability Day not including the first 12 hours of the first Reserve Availability Day of a reserve work block.

2. Time Off, Pay, and Other Benefits for COVID Vaccinations

On a one-time basis for each eligible pilot, for the initial COVID vaccination (which may include a single dose (shot) or two doses (shots), through November 1, 2021, for an eligible pilot who receives a COVID vaccination, the Company shall provide the following benefits for each shot under the following circumstances:

- a. A pilot who receives the vaccination which does not conflict with duty, shall be paid 5:15 pay, no credit (paid above guarantee for a reserve pilot) for each vaccination.
- b. A pilot who notifies the Company at least ninety-six (96) hours in advance of receiving the vaccination will have any duty that conflicts with the vaccination (including the forty-eight (48) hours following the vaccination) removed from the pilot's schedule.
  - i. Any sequence(s) removed will be paid and credited.
  - ii. Any reserve available day(s) removed will not result in the reduction of the pilot's reserve guarantee. If any reserve available days are removed, if there are days remaining in the reserve available block, then the reserve pilot will be responsible for verifying the pilot's schedule for DOTC assignment between 1500 HBT - 1600 HBT on the last day of the conflict.
  - iii. If a pilot under paragraph 2.b. above is unable to receive the vaccination due to circumstances beyond the pilot's control (e.g., supply of vaccines are depleted), the pilot will notify the Company of the need to reschedule the vaccination and will be pay protected as if the vaccine were received.
- c. A pilot who notifies the Company less than ninety-six (96) hours in advance of receiving the vaccination may utilize sick leave to drop conflicting duty.
- d. Pilots utilizing sick for a COVID vaccination remain eligible to use non-rev travel privileges to travel to and from the vaccination location.

- e. If a pilot experiences an adverse reaction which prohibits the pilot from exercising that pilot's FAA medical certificate beyond the FAA mandated period of forty-eight (48) hours but which does not result in an illness or injury which exceeds more than thirty (30) days, the pilot will be entitled to pandemic pay (PW) under LOA 20-001 for the duration of evaluation and treatment up to a maximum of the thirty (30) days.
- f. Pilots who received the COVID vaccination(s) prior to the effective date of this LOA, and who were active at the time the vaccine was administered, shall be paid as follows:
  - i. A pilot shall receive 5:15 pay, no credit for each vaccination dose (shot) (including the 48-hour period following the dose) that did not conflict with duty at the time the vaccine was administered.
  - ii. Pilots who utilized sick leave or an EO to receive the vaccination(s) (including the 48-hour period following the dose) will have the sick leave or vacation used restored to the pilot's respective bank.
- g. American's Vaccine Incentive Program.  
Pilots shall be eligible to participate in American's Vaccine incentive Program, which provides an additional vacation day to be used for the 2022 vacation year and \$50 in "Nonstop Thanks" recognition points (5,000 points). In order to qualify for the incentives, notwithstanding any eligibility requirements within this LOA, the pilot must meet the eligibility requirements of the program, including having received a vaccine authorized for emergency use by the Food and Drug Administration, and being fully vaccinated by August 31, 2021. More information about this Program is available on JetNet.

3. Documentation of Pilot COVID Vaccination(s)

- a. Pilots will self-report vaccinations to the Company for pay and tracking purposes. Once available, pilots may be required to self-report using an application, such as VeriFLY or similar solution.
- b. In the event a government or regulatory entity makes vaccinations mandatory for pilots, for scheduling purposes, pilots will self-report vaccination to the Company (similar to the manner in which they report their first-class medical requirement).
- c. Pilots must provide proof of vaccination to receive the benefits provided in Paragraph 2 of this Agreement.

4. COVID Vaccination(s) as Qualified, Legal, & Available (QLA)

- a. In the event a foreign government or regulatory entity requires COVID vaccination(s) for entry, pilots who fly to such location(s) will self-report COVID vaccination(s) to the Company for scheduling purposes (similar to the manner in which they report their first class medical requirement).



- i. For destinations which require COVID vaccination(s) for entry, any sequence containing such destination will be built with the COVID vaccination(s) as a trip qualification.
- ii. A pilot must be COVID vaccinated in order to be considered qualified for the purpose of being awarded/assigned a COVID vaccination sequence.
- iii. If a pilot does not have their COVID vaccine recorded with the Company, the pilot will not be considered qualified and will not be awarded/assigned a COVID vaccination sequence.

5. COVID Testing General Provisions

- a. The Company shall provide timely updates (available for pilot review in a document such as COMPLY365) of locations requiring mandatory pre-departure and/or post-arrival COVID testing requirements and vaccination(s) requirements for entry.
- b. Any mandatory COVID test for international destinations shall be paid 15 minutes of pay, no credit (above guarantee for reserve pilots).
  - i. A pilot will not be paid the 15 minutes of pay, no credit for a voluntary COVID test.
  - ii. Voluntary COVID tests shall not be counted as “duty” under the JCBA nor is it the intent that voluntary testing be counted as duty for FAR 117 purposes.
  - iii. For the purposes of mandatory pre-departure COVID testing, a pilot will not be required to sign in any earlier than required in Section 15.C.5.d.(1) of the JCBA.
  - iv. Coding for pay purposes will be similar to alcohol and drug testing.

6. COVID Testing for International Locations

A pilot will not be required to sign in any earlier than required in Section 15.C.5.d.(1) of the JCBA for mandatory pre-departure COVID testing. The following additional provisions apply:

- a. Mandatory Pre-Departure (Rapid Antigen)
  - i. Pilots will receive 15 minutes of pay, no credit for each required mandatory pre-departure COVID tests.
  - ii. The Company will make available Rapid Antigen testing at no-cost to the pilots at locations where the Company operates flights to international destinations which require mandatory pre-departure Rapid Antigen COVID testing.
  - iii. To the extent possible, COVID testing locations will be at the airport. When not at the departure airport, transportation will be provided by the Company.

- iv. Testing will be available to any pilot operating or deadheading on a flight which requires mandatory pre-departure Rapid Antigen testing.
- v. In addition to in-person Company administered testing options, the Company may provide at-home Rapid Antigen testing kits, delivered at pilot's request to an address designated by the pilot.
  - 1. If provided and the pilot chooses to utilize the at-home testing, the pilot must complete the testing within the required testing period or on the required testing cycle as determined by the destination requirements.
  - 2. If a pilot elects to perform at-home testing, the at-home testing shall not be counted as "duty" under the JCBA nor is it the intent that at-home testing be counted as duty for FAR 117 purposes.
- vi. A pilot required to take a mandatory pre-departure Rapid Antigen COVID test must either test through the Company or demonstrate a negative COVID test result from a facility of the pilot's choice within the required testing window. A pilot electing to test at a facility of their choice will bear the cost of any such test but will be eligible for the additional pay.

b. Voluntary Pre-Departure (Rapid Antigen)

- i. The Company will make available Rapid Antigen testing at no-cost to the pilots at locations where the Company operates flights to international destinations which require mandatory post-arrival testing.
- ii. To the extent possible, testing locations will be at the airport. When not at departure airport, transportation will be provided by AA.
- iii. Testing will be made available to any pilot operating or deadheading on a flight which requires mandatory post-arrival testing.
- iv. For the purposes of voluntary pre-departure COVID testing, a pilot will not be required to sign in any earlier than required in Section 15.C.5.d.(1) of the JCBA. Pilots may test prior to sequence sign-in, otherwise pilots may test immediately after sign-in.
- v. In addition to in-person Company administered testing options, the Company may provide at-home Rapid Antigen testing kits, delivered at pilot's request to an address designated by the pilot. In such case, the provisions of this paragraph (6.b.) will also apply to the at-home voluntary pre-departure testing. Voluntary at-home testing shall not be counted as "duty" under the JCBA nor is it the intent that at-home testing be counted as duty for FAR 117 purposes.

c. Mandatory Pre-Departure (PCR)

If any international destination requires a negative pre-departure COVID PCR test result, the company will make available PCR testing at no cost to the pilots and may provide at-home PCR testing kits, delivered at pilot's request to an address designated by the pilot, at no cost to the pilots who operate flights to those international destinations.



- i. Testing will be made available to any pilot operating or deadheading on a flight which requires mandatory pre-departure PCR testing.
- ii. Pilots must complete the testing within the required testing period on the required testing cycle as determined by destination requirements.
- iii. Pilots will receive 15 minutes of pay, no credit for each required test.
- iv. Pilots must either use the AA provided testing or demonstrate a negative test result from a facility of their choice within the required testing window. Pilots who elect to test at a facility of their choice will bear the cost of any such test but will be eligible for the additional pay.

d. Mandatory Post-Arrival

- i. Pilots will receive 15 minutes pay, no credit for each required test upon arrival in international locations.
- ii. A list of international locations requiring post-arrival testing will be timely updated and a process to assure the pay is annotated correctly on a pilot's activity record will be maintained.

7. COVID Positive Test

a. Pilots with No Previous COVID Diagnosis

Pilots with no previous COVID diagnosis who test positive will be paid in accordance with LOA 20-001.

b. Pilots Who Have Recovered from COVID

Positive tests of pilots who have previously been diagnosed with COVID who have recovered and are no longer symptomatic and who receive a positive pre-departure test for an international destination which requires mandatory pre-departure testing, or who take a voluntary pre-departure test for an international location that requires post-arrival testing, will be considered a "False Positive" test for purposes of this LOA.

i. Lineholders Who Have Recovered from COVID

- 1. A pilot with a False Positive test result will be removed from the sequence with pay and credit, no recovery obligation (RO), for the positive pre-departure COVID test.
- 2. Following the False Positive, the pilot will continue to report for the pilot's follow-on sequences. If the sequence does not require COVID testing, the pilot will operate the sequence. If the sequence requires a mandatory pre-departure test or post-arrival test ("COVID Testing Sequence"), and the pilot tests negative, the pilot will operate the sequence. If the pilot tests positive, paragraph 7.b.i.1. above will apply; however, the pilot will be removed with pay and credit, no RO for the False Positive only for sequence(s) which are on the pilot's schedule as of the date of the first False Positive.
- 3. Pilots may not bid/ballot/trade for a COVID Testing Sequence after receiving the False Positive until such time they receive a negative

COVID test (of the same type as the False Positive). If a pilot bids/ballots/trades for and receives a COVID Testing Sequence after receiving a False Positive and prior to receiving a negative test, the pilot will be removed no pay, no credit from that bid/balloted/traded COVID Testing Sequence.

4. Pilots who test positive again after receiving a negative COVID test will be handled in accordance with paragraphs 7.b.i.1. through 7.b.i.3. above until they receive a negative COVID test.
5. The negative test can be a pre-departure test prior to a sequence on the pilot's schedule at the time of the False Positive or the pilot may, at the pilot's own cost with no additional pay, get tested at a facility and at a time of the pilot's choosing and provide the Company with a copy of the negative results. Pilots who elect to get tested at a facility and at a time of the pilot's choosing shall not be counted as "duty" under the JCBA nor is it the intent that such testing be counted as duty for FAR 117 purposes.
6. Pilots who do not bid or ballot for COVID Testing Sequence(s) but are awarded/assigned such sequences will be handled in accordance with 7.b.i.1. and 7.b.i.2. above.

ii. Reserves Who Have Recovered from COVID

1. A pilot who has a False Positive will be removed from the sequence with no adjustment to reserve guarantee. The reserve pilot will be removed from the sequence, and will have a report sequence added, followed by domicile rest; if, after the applicable DOTC/RAS provision is implemented, as agreed to by the parties, and if the applicable DOTC/RAS provision changes the above process, then the applicable DOTC/RAS provision will control. Such pilot will receive pay and credit under Section 15.H.2. towards GTD (not above guarantee).
2. Reserve pilots may not preference/ballot for a COVID Testing Sequence after receiving the False Positive until such time the pilot receives a negative COVID test (of the same type as the False Positive). If a pilot preferences/ballots for and receives a COVID Testing Sequence after receiving a False Positive and prior to receiving a negative test, the COVID Testing Sequence will be removed and the pilot's reserve guarantee will be reduced by 4.03 if long call, or 4.13 if short call. Pilots with a reserve available day the next day will assume long call duty at 0000 HBT. These pilots are not eligible for the pay and credit under Section 15.H.2.
3. The negative test can be a pre-departure test prior to an assigned sequence as a reserve or a sequence on the pilot's schedule at the time of the False Positive, or the pilot may, at his own cost with no additional pay, get tested at a facility and at a time of the pilot's choosing and provide the Company with a copy of the negative results. Pilots who elect to get tested at a facility and at a time of the pilot's choosing shall not be counted as "duty" under the JCBA



nor is it the intent that such testing be counted as duty for FAR 117 purposes.

4. Pilots who do not specifically bid or ballot for COVID Testing Sequence(s) but are awarded/assigned such sequences as a lineholder in the next month will be handled in accordance with paragraphs 7.b.i.1. and 7.b.i.2. of the lineholder section above.
  5. Following the False Positive, if the pilot's next assigned sequence does not require COVID testing, the pilot will operate the sequence. If the assigned sequence is a COVID Testing Sequence and the pilot tests negative, the pilot will operate the sequence. If the pilot tests positive, the pilot will be handled in accordance with paragraph 7.b.ii.1. above.
- c. If a pilot tests positive in an international location, the Company shall return the pilot to base on the first available flight, unless prevented by mandatory quarantine.
  - d. If a pilot is required to quarantine in an international location and can't return to base, the pilot shall:
    - i. Be paid under LOA 20-001;
    - ii. Be paid additional reasonable and necessary expenses above per diem;
    - iii. Receive, if allowed by the foreign government, family travel (positive space) where necessary; and
    - iv. Be paid, once returned to base, under LOA 20-001, if applicable.

8. Removal from COVID Testing Sequences

- a. The Company will provide pilots with access to a list of COVID testing destinations.
- b. A pilot who specifically bids or ballots for a COVID Testing Sequence or picks up a COVID Testing Sequence via the trip-trading tools will not be removed from the sequence for reasons related to the trip being a COVID Testing Sequence. Pilots may still utilize removal options under the JCBA (e.g., vacation, sick, EO, pilot-to-pilot trading, TTS, TTOT) for reasons unrelated to the trip being a COVID Testing Sequence. Pilots who did not specifically bid or ballot for but were awarded or assigned COVID Testing Sequence(s) may also request to be removed because the trip is a COVID Testing Sequence.
- c. A pilot awarded or assigned a COVID Testing Sequence (that the pilot did not specifically bid or ballot for) and who does not want to fly the assigned COVID Testing Sequence may request to drop the COVID Testing Sequence using an EO.
  - i. Lineholder requests for EOs should be made no less than three (3) days in advance of the start of the COVID Testing Sequence. Such pilots must have attempted to drop the trip via the trip-trading tools first.
  - ii. A reserve pilot assigned a COVID Testing Sequence can request to drop the COVID Testing Sequence via EO by notifying Crew Scheduling at the time of assignment.

- iii. Pilots may convert the EOs to PVDs in accordance with Section 9.C.9.
- iv. The Chief Pilot retains discretion to grant EOs and will make every reasonable effort to accommodate requests.
- v. There will be no discipline or Personnel Employment History (PEH) entry made for a pilot requesting an EO for a COVID Testing Sequence.

9. Furlough Protection and Company Flying

To offset the significant impact COVID has had on flying, the Parties further agree to the following provisions:

- a. American shall not furlough any pilot through the end of the June 2022 contractual month (7/1/2022).
- b. For the calendar year 2021, the International Baseline target will be reduced to 540,000 block hours under JCBA Section 1.K.
  - i. The 80% and 90% thresholds under Section 1.K.4. will be calculated using the above temporarily reduced target of 540,000 block hours. If AA meets the 80%/90% thresholds on the reduced International Baseline target, the Company will have cured the 2020 International Baseline flying for meeting the applicable Section 1.K.4.a. or 1.K.4.b. threshold.
  - ii. For purposes of clarity, this is a temporary reduction for 2021 only and International Baseline will return to 1,138,159 block hours on January 1, 2022.
- c. APA agrees not to grieve, either as a presidential or domicile, or advance an individual grievance, alleging violations of the following JCBA provisions:
  - i. Section 1.D.4. based on the contractual counting of narrow-body and regional aircraft from the beginning of the first half of 2020 through the end of the second half of 2021.
  - ii. Section 1.G.1.c. based on the Company's operation of flights per day between the mainland and Hawaii.
  - iii. For purposes of clarity, the agreement not to grieve is a temporary provision for any alleged violations of Section 1.D.4. or Section 1.G.1.c. occurring in the calendar years of 2020 and 2021 only and is not a permanent waiver or change to JCBA Section 1.D. or 1.G.
- d. The Parties agree to continue discussions on extending the provisions of LOA 20-005, 20-007, 21-001 and other leaves of absence.

10. Long-Term Disability (LTD) Improvements

American will amend its pilot long-term disability plans to eliminate the Social Security Disability Insurance (SSDI) benefit offset effective May 1, 2021. Pilots currently receiving



long-term disability benefits who are under an LTD plan which contains SSDI offsets are included in the group of pilots who will receive the benefit of this agreement and will no longer be subject to SSDI offsets on and after May 1, 2021; however, no retroactive application prior to May 1, 2021 is contemplated or included for SSDI offsets already imposed.

- a. Paragraphs 2.a. and 3 (SSDI offset) of JCBA Letter KK(2) are deleted. American will amend the 2012 Pilot LTD Plan, and any restatements, to reflect that the corresponding provisions of the 2012 Pilot LTD Plan will no longer be in effect on and after May 1, 2021.
- b. Legacy US Airways East Letter of Agreement 84 ("Supplemental Cost Reductions") is amended to delete the SSDI Offsets provision of the US Airways Pilot Long Term Disability Plan effective January 1, 2003, and any restatements. The Company will amend the US Airways Pilot Long Term Disability Plan to reflect this change.
- c. The legacy America West long-term disability plan is amended to delete its SSDI offset provision. The Company will amend the America West pilot long-term disability plans to reflect this change.

If the foregoing accurately reflects our agreement and understanding, please countersign below and return a fully executed copy to me.

Sincerely yours,



Captain Kimball Stone  
SVP, Flight Operations and IOC

Agreed to:



CA Eric Ferguson  
President, Allied Pilots Association

cc: APA Negotiating Committee  
APA Negotiating Department  
AA Labor Relations  
AA Legal